

RULES OF
DEPARTMENT OF EDUCATION
DIVISION OF UNIVERSITIES
UNIVERSITY OF FLORIDA

6C1-3.021 Finance and Administration; Purchasing, Sponsored Research Exemptions Procedures.

(1) ~~In accordance with the provisions of Section 1004.22(7)240.241, Florida Statutes, allows;~~ the University ~~may in particular instances~~ to exempt the purchase of materials, supplies, equipment or services for research purposes from the general purchasing requirements of Rule 6C1-3.020, Florida Administrative Code~~Chapter 287~~ and the requirements of Chapters 215, 216 and 283, and Section 112.061, Florida Statutes. ~~Such an~~These exemptions ~~shall~~may be exercised only when the Vice President for Research or the Vice President's designee certifies to the President in each particular instance that the exemption is necessary for the efficient or expeditious prosecution of a research project.

(2) Exemptions ~~shall be granted only pursuant to the following conditions:~~from the competitive bidding requirements of Chapter 287, the documentation and advance payment requirements of Chapter 215 and the travel restrictions of Section 112.061 as it applies to subcontractors may be provided under the following conditions:

(a) Competitive bidding

1. The Principal Investigator must submit a memorandum to the Vice President for Research requesting a sponsored research exemption. The memorandum must include:

a. A detailed justification for the request.

- b. A written quotation from the requested vendor detailing the price, the FOB point, responsibility for freight and insurance, and payment terms.
 - c. A statement and/or other evidence, that some form of price comparison or determination of price reasonableness has been performed.
 - d. A written statement signed by the Principal Investigator certifying that he or she is independent of, and has no conflict of interest in the entity(ies) evaluated and selected.
2. If the vendor is a governmental agency, the acquisition must be excluded from competitive bid requirements as stated in Rule 6C1-3.020, F.A.C. Section 287.012(4)(c), Florida Statutes.
3. The following criteria shall~~may~~ be used to justify a request for a sponsored research exemption from competitive bidding:
- a. A certain vendor is specified in a prime contract or grant award.
 - b. A certain vendor is approved in writing by the prime contractor or granting agency in accordance with the provisions of the prime contract or grant award.
 - c. The purchase of specific goods or services from a certain vendor can be demonstrated to be more efficient or expeditious than any other vendor based on compatibility, availability, or the current capabilities of the Principal Investigator and staff.
 - d. The purchase of specific goods or services from a certain vendor can be demonstrated to be necessary to meet the time requirements of the prime contract or grant award.
 - e. The purchase of specific goods or services from a certain vendor can be demonstrated to be mandated by scientific or technical requirements.
 - f. The purchase of specific goods or services from a certain vendor can be demonstrated to be at a cost below industry norms.

g. Other conditions which can be demonstrated to meet the statutory criteria of "necessary for the efficient or expeditious prosecution of a research project." The specific condition must be fully explained.

4. Any and all changes or corrections to a purchase order or contract issued on the basis of a sponsored research exemption must also be approved by the Vice President for Research or ~~his/her~~ designee.

(b) Documentation and Advance Payments

1. An exemption from the requirements concerning the level of detail and documentation for reporting and payment under Chapter 215, Florida Statutes, and related rules and practices, ~~shall~~ may be granted under the following conditions:

a. The level of detail and documentation for reporting and payment required by the prime contractor or granting agency in the provisions of the prime contract or grant award (or approved in writing by the sponsor) is less than that required by the State of Florida.

b. Subcontractors' invoices contain a level of detail that is, at a minimum, commensurate with the level of detail and reporting required of the University by the prime contract or grant award. It is not necessary for copies of receipts to be obtained or submitted with the voucher ~~to the State Comptroller~~ for the payment of such invoices, if the invoice contains a statement certifying that receipts in support of the itemized invoice are maintained in the contractor's records and may be inspected by officials of the State of Florida.

2. An advance payment or payments ~~shall~~ may be authorized under the following conditions:

a. The subcontractor or vendor requests an advance payment, and it can be demonstrated that the advance payment is necessary to fund extensive start-up costs, realize

discounts or cost savings, or create adequate cash flow in order to provide required goods or services.

b. The University retains the documentation justifying such advance payments in the Office of the Vice President for Research. The Principal Investigator is responsible for determining that all goods/services for which an advance payment has been made are satisfactorily received.

c. The Office of the Vice President for Research provides the Purchasing Department the sponsored research exemption certification and specific payment details for inclusion in the purchase order.

d. The University may require the subcontractor or vendor to secure some form of liability protection to cover the amount of advance payment, as deemed appropriate.

3. When an exemption from the general provisions of Chapter 215, Florida Statutes, and related rules and practices for documentation or advance payment is authorized, the provisions of a contract between the University and the subcontractor or vendor must include essentially the following language:

The Contractor agrees to return to the University any overpayments due to unearned funds or funds disallowed pursuant to the terms of this Contract or by the prime agency that were disbursed to the Contractor by the University. Such funds shall be considered University funds and shall be refunded to the University within forty-five (45) days following the time the overpayment and/or disallowance is discovered unless otherwise authorized by the University in writing. In addition, the Contractor agrees to exclude from its expenditure reports and any other claims for reimbursement any amounts disallowed by the prime agency and the University in accordance with the terms of this Contract.

(c) Travel. A subcontractor or vendor is allowed to~~may~~ be reimbursed for travel expenses of non-State of Florida and non-University personnel performing travel under a sponsored research subcontract in accordance with the provisions of the applicable prime contract or grant and the travel allowances normally provided by the subcontractor or vendor. A copy of the subcontractor's or vendor's written travel procedures must be submitted.

(3) Execution and Distribution

(a) If the request is for an exemption from the competitive bid requirements, the Principal Investigator will submit the request for the sponsored research exemption to the Office of the Vice President for Research, allowing sufficient time for adequate review of the request. The request should be accompanied by the general requisition, the documentation listed in section (2)(a) above and any other needed documentation.

(b) Requests for other sponsored research exemptions may be initiated by the principal investigator, the Office of the Vice President for Research, or other University personnel, as appropriate.

(c) The Office of the Vice President for Research will review the request for sponsored research exemption. The certification will be prepared by the Office of the Vice President for Research, signed by the Vice President for Research or his/her designee, and be forwarded to the University President or President's designee.

(d) Prior consent to a sponsored research exemption by the Director of Purchasing is not required. However, the Director's advice and counsel may be sought and the following steps must be followed:

1. The Office of the Vice President for Research will send a copy of the sponsored research exemption certification memorandum provided to the President, the general requisition, and a copy of the other documentation listed in section (2)(a) above, to the Purchasing Division.

2. The Purchasing Division will be responsible for compliance with all other State of Florida and University rules and regulations. Further, if after viewing the documentation provided, the Purchasing Division has knowledge of any information that would impact the use of a sponsored research exemption, the Office of the Vice President for Research should be contacted prior to issuance of the purchase order.

3. Any purchase order issued under a sponsored research exemption will contain a statement indicating that a sponsored research exemption was given.

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

(3) A copy of the sponsored research exemption certification and any supporting documentation will be maintained in the Office of the Vice President for Research.

Specific Authority 1001.74(4), 1004.22(13)~~240.227(1), 240.241(2), (9)~~ FS.

Law Implemented 1001.74(8), 1004.22(5), (7)~~240.227(1), (12), 240.241(2), (9), (12)~~ FS.

History--New 5-18-92, _____.