• All costs charged to an externally funded grant, contract, or agreement, whether funded by government or private funding sources, are approved by the Grants and Contracts Office or the Mercer Engineering Research Center (MERC) administrator based on the cost principles, applicability, and allowability as documented in OMB Circular A-21.

Please be advised that the remainder of this procurement policy excludes MERC as there are separate procurement procedures specific to MERC.

• All purchases should be made prudently and subject to fair and reasonable pricing.

• Transactions with no supported documentation or receipts will not be charged to externally funded accounts, as mandated by Federal regulations and applied consistently, whether funded by government or private funding sources.

• Mercer University requires that a cost/price analysis be performed and documented in connection with every purchase using directly funded or pass through Government funds. Cost/Price analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability. This policy is in accordance with standards set forth in OMB Circular A-110, Section .45. These standards are furnished to ensure that materials and services are obtained in an effective/consistent manner and in compliance with the provisions of applicable Federal statutes and regulations.

• Purchases of property or equipment with an acquisition value of $5,000 or greater and a useful life of two years or more are also subject to Mercer University’s Property Accounting Policies and Procedures.

• Competitive bidding is required for purchases of $25,000 and more. If only one bid is received, and for non-competitive purchases (i.e. sole or selected source, University-wide agreements, blanket orders),
identify the basis for selection (i.e. technical requirements or past performance) and provide sufficient documentation and explanation to justify the selection. As required by OMB Circular A-110, documentation should be submitted to the Grants and Contracts Office: the basis for vendor selection, justification for lack of competition when competitive bids are not obtained, and basis for award price.

Cost/price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices, together with discounts, etc. If needed, please contact the Purchasing Office for assistance in obtaining this information. Price analysis for procurement of items covered under arrangements with approved preferred vendors will be considered to have been performed when the agreements were negotiated. These agreements will remain on file in the Purchasing Office. For purchases with direct or pass through government funds from companies other than approved vendors, appropriate documentation includes a completed Procurement Justification Form, together with supporting documents, if required by the form. Refer to the Procurement Justification Form for examples of documentation needed to support the cost/price analysis.

Documentation of the price analysis for purchases made using Mercer University purchasing cards may be submitted monthly with the purchasing card reconciliation form, or e-mailed at the time of the purchase if preferred by the person placing the order. One Procurement Justification Form may be used for an order of several items from the same vendor unless more than one form of price analysis is performed for the items listed on the order form.

Completion of the Mercer University Procurement Justification Form is required for expenditures of all directly funded or pass through Government grant funds received on or after February 16, 2009.