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**From:** cogr-l-request@mymaillists.usc.edu on behalf of COGR <cogr@usc.edu>  
**Sent:** Friday, February 06, 2015 11:11 AM  
**To:** cogr-l@mymaillists.usc.edu  
**Subject:** [cogr-l] COGR Update on UG Developments

As the implementation of the Uniform Guidance proceeds, COGR is committed to keeping the membership updated on all developments. Below are items of interest.

1) COGR Response Letter to December 19 Federal Register Notice. We expect to comment on 5 to 6 items, including implementation of Procurement Standards. At the end of this email is a DRAFT excerpt from the COGR Response Letter. We will propose to OMB that the micro-purchase threshold be increased from \$3,000 to \$10,000. **IF THIS ISSUE IS IMPORTANT TO YOUR INSTITUTION**, we encourage you to craft an institution-specific response that describes the cost and administrative burden and other implications that a \$3,000 threshold will create at your institution.

2) Comments must be received by OMB electronically through [www.regulations.gov](http://www.regulations.gov) no later than midnight Eastern Standard Time (E.S.T.) on February 17, 2015. We hope to post a DRAFT of our letter later next week. You are always welcome to submit a letter that simply endorses COGR's letter. However, in the case of the micro-purchase threshold, we believe it will be important for your institution to develop an institution-specific response that addresses cost and administrative burden. OMB will more likely be responsive to specific anecdotes and case studies.

3) In other UG news, several of you have shared with COGR your concerns about the implementation of section 200.112, Conflict of Interest, by the EPA. This policy was implemented as an interim final rule and it is effective immediately. COGR has raised concerns to EPA and to OMB. We will update the Membership in a COGR Update later next week.

[http://www.epa.gov/ogd/epa\\_interim\\_financial\\_assistance\\_coi\\_policy.htm](http://www.epa.gov/ogd/epa_interim_financial_assistance_coi_policy.htm)

4) The status of Research Terms and Conditions (RTCs) was discussed at length at the FDP Meeting on January 12<sup>th</sup>. Because RTCs will be subject to a Federal Register posting and a public comment process, realistically, RTCs will not be available until the Spring at the earliest. This raises a number of issues in which COGR plans to engage.

5) Status of a New DS-2 Form. Our understanding is that this will be available at the end of February. We will provide a more detailed assessment of the DS-2 process in a COGR Update later next week.

### Begin DRAFT excerpt from the COGR Response Letter

Section .504(d)(4), "*Methods of procurement to be followed*" (as specified in OMB-2013-0001, Proposed Uniform Guidance, February 1, 2013) did not include the proposal to establish "*procurement by micro-purchases*" as one of the methods of procurement. In COGR's May 31, 2013 response to OMB-2013-0001, we included detailed comments to section .504, *Procurement methods*, but because "*procurement by micro-purchases*" was not defined, we could not provide a formal comment on this crucial topic. While OMB actively has engaged the research community and all stakeholders in many facets of the Uniform Guidance, in this case, the community was not provided the opportunity to comment. COGR believes a more robust and interactive process is needed to finalize a policy on "*procurement by micro-purchases*."

In the Final Uniform Guidance (December 26, 2013), section § 200.67 (the definition for "micro-purchase) cites the Federal Acquisition Regulation at 48 CFR Subpart 2.1 as the basis for setting the threshold at \$3,000. The \$3,000 threshold as it relates to contracts may be appropriate and further validated by the FAR Council. However, in the context of Federal financial assistance and grants, the \$3,000 threshold has been selected without: 1) an objective analysis on what is appropriate for grants, 2) any input from the grant recipient community, and 3) any attention paid to

the impact on new administrative burden that will be created.

And the new administrative burden will be significant. A majority of IHEs and Nonprofit Research Institutions have established thresholds between \$5,000 and \$10,000. Institution-wide procurement policies, including procurement card policies have incorporated these thresholds, and IT, management and training policies have been developed based on these thresholds. A \$3,000 threshold will produce costly redesign of electronic and management systems, which have been operating effectively and efficiently for years without any evidence of waste, fraud, or abuse. In the case of State universities, many IHEs have linked their thresholds to be in compliance with State requirements, and the fact that States have been supportive of the higher thresholds is a compelling testimony that a threshold between \$5,000 and \$10,000 is the correct number.

Ultimately, what is at risk is the ability of Principal Investigators to acquire research supplies and tools in a timely manner, and any compromise to timeliness may have a detrimental impact on the quality of research. Our procurement systems have been designed to include the internal controls that ensure appropriate approvals, oversight, and monitoring of micro-purchases. Defining the micro-purchase threshold at a level that is in-line with current University and State government policies will allow our institutions to continue delivering the highest quality research without any compromise to accountability for Federal funds.

Citing OMB's commitment to use evidence-based data to address important policy challenges and to promote cost-effectiveness across Federal programs, adjustment of the micro-purchase threshold from \$3,000 to \$10,000 would be an appropriate technical correction to be made. COGR and our members can provide data that demonstrates both the cost and administrative burden that will be created with a \$3,000 threshold, and we further can provide additional information that articulates how our procurement systems have been designed to achieve cost-savings and efficiency, while promoting the integrity and stewardship of Federal and institutional funds. Therefore, we propose that OMB make the following technical correction to section § 200.320(a).

*(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000 ~~\$3,000~~...*

End DRAFT excerpt from the COGR Response Letter

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