TO: President  
   Provost  
   Vice Presidents  
   Chancellors  
   Department Chairs  
   Department Heads
FROM: Scott E. Reynolds  
       Director
DATE: May 27, 1994
SUBJECT: Exemption for Procuring Grant Specified and Approved Major Equipment Subcontracts and Consultant Services

The University of South Carolina recently applied for and was granted an exemption to the South Carolina Consolidated Procurement Code for procuring grant specified and approved major equipment, subcontracts and consultant services. This exemption was conditioned on the following criteria being met prior to the awarding of a grant or contract:

1. That a University policy does exist that requires competition in accordance with the South Carolina Consolidated Procurement Code. Both the USC Policies and Procedures Manual and the Department Manual for USC Purchasing Procedures clearly state that competitive procurement is the University's required method of procurement.

2. This exemption will be limited to major equipment, subcontracts, consultants, etc., that are specified and justified in the proposal document, and that are certified by the principal investigator to be necessary and essential to the completion of the project.

3. A requirement of the certification process will be complete written justification by the principal investigator (P.I.) as to why particular specified equipment or services are essential and critical to the successful completion of the externally funded project. If this has not been obtained, then the goods/services will be acquired in accordance with the South Carolina Consolidated Procurement Code.
4. Prior to acceptance of a certification for exemption, each principal investigator must have had his proposed project reviewed and approved by his department chair and/or dean as appropriate and the Office of Sponsored Programs and Research. Among the areas considered during the review process is the appropriateness or uniqueness of requested equipment, consultants and subcontractor. This is done with the understanding that the principal investigator is best able to determine the needs of his project. In most cases, the proposal is subjected to further external review through the scientific peer review system and finally by personnel of the granting agency.

5. Transactions will be available for audit by the State of South Carolina, Office of General Services to insure compliance with these procedures and to determine if this exemption should continue.

The certification process will be coordinated by the Office of Sponsored Programs and Research (SPAR). Adherence to these procedures will alleviate the need for competitive bids where only one source exists or the need for further justification of a sole source procurement. Please distribute this information to all personnel involved with externally funded projects. Should you require additional information, contact Tommy Coggins, Associate Director, SPAR at 7/7093, or any procurement officer at the Purchasing Department at 7/4115.

Attachment: 1