



Current Issues in Research Procurement

Topic List

1. Signature Authority
2. Contract Basics
3. Bid and Order Limits
4. Professional Services
5. Vendor Relationship
6. Sub-recipient Agreements (Sub-awards)
7. Procurement on Federal Contracts and Grants
8. New Federal Compliance Initiatives for Grants
9. Sponsor Expectations
10. Click Agreements
11. Material Transfer Agreements



<http://www.controller.iastate.edu/accounting/icdetermination.htm>
<http://www.purchasing.iastate.edu/psa/>

Professional Services

To be considered a "Professional Service" the provider must be an Independent Contractor and have special knowledge or credentials which uniquely qualify them to perform the work requested. The following are important when determining if a professional service agreement is appropriate:

- **Ability to perform** - Consultants or other Contractors we engage using Professional Service Contractual Agreements (PSCAs) must have the ability to perform the stated scope of work independently. That is, they must have their own office, office equipment (including computers), means of transportation, etc.
- **Defined Scope of Work and Period of Performance** - The scope of work must be stated as defined project with a beginning and end. Projects may milestones to be met or deliverables received before progressing to the next step. A tangible deliverable must be received by ISU in order to make payments for professional services.
- **Performance Monitoring** – Agreements should include a process for monitoring and verifying performance and compliance with terms and conditions of the engagement. Compensation and payment should be based upon deliverables or end result(s).
- **International Professional Services** – Because employment laws vary from country to country please contact Purchasing or Risk Management ... before ... negotiating with any foreign national to perform professional services. Your department could be on the hook for lifetime employment or a portion of retirement benefits for what appear to us to be minor commitments for service. In international law verbal commitments can be binding so please ask first.



Vendor Relationship

A Vendor is a company or individual who is in the business of selling goods or services within normal business operations to many different buyers. Typically the goods or services are those available in the commercial, competitive market place and usually fall into a known commodity areas. The following are key aspects of a vendor relationship:

- **Rights to Use or Own the Product** – Typically a Vendor selling products passes the rights to own or use the product to the buyer.
- **Rights to Intellectual Property for Custom Work** – Vendors contracted for custom work typically (but not always) sign over intellectual property rights to the buyer, but it may need to be stated as part of the contractual relationship. This arrangement is generally referred to as a “work for hire” contract and is the preferred method of contracting for services at the University.
- **Independent Contractor Status** –The Vendor has the right to control how the work is performed; has a significant investment in facilities or equipment; has the opportunity for profit or loss; and the economic well being of the vendor does not depend solely on one entity.
- **Guarantee** – Vendors must provide a guaranty or warranty for the goods or services they sell. If no warranty is explicitly stated, the laws in most states provides guidance for warranty.



<http://www.ospa.iastate.edu/training/docs/NANO-PSA-v-Subagreements.pdf>

Subrecipient Agreements (Subawards)

A Subrecipient Agreement, or Subawards as they are sometimes referred to, are issued to establish academic and research collaborations typically using sponsored funding. Subrecipient agreements differ from professional service contracts or purchase orders in the following ways:

- **Selection** – Subrecipients are typically selected prior to the grant award and are approved by the sponsor. Subrecipients **may not be individuals**.
- **Scope of Work** – The scope of work is typically a substantial and supportive component of a larger research initiative, is academic in nature and generally not available through the open market system.
- **Rights to Intellectual Property** – Intellectual Property is owned by the subrecipient. ISU may require a license be granted to use the work.
- **Guarantee of Performance** – There is no formal guarantee or warranty for the work performed. However ISU may be held accountable for the work performed by it’s sub-recipients.
- **Rights to Publications** – Typically Sub-recipients retain the right to publish. ISU may request review privileges prior to publication.
- **Terms and Conditions** - The sponsors terms for conducting the research apply to all sub-recipients. ISU is required to insure the sponsor’s terms are honored by the sub-recipient.