

HOWARD UNIVERSITY POLICY

Policy Number:	200-003
Policy Title:	PROCUREMENT - GENERAL
Responsible Officer:	Chief Procurement Officer
Responsible Offices:	Office of the Chief Financial Officer and Office of Procurement & Contracting (OPC)
Effective Date:	June 29, 2011 May 29, 2012 – Conforming Revisions February 1, 2022 – Conforming Revisions September 12, 2022 – Revised to address ERP and Uniform Guidance

I. POLICY STATEMENT

It is the policy of Howard University (“the University”) to use Office of Procurement & Contracting (OPC) to acquire all goods and services on the University’s behalf guided by ethical conduct, sound business practices, accountability, best value, donor and sponsor requirements, Uniform Guidance, and federal and other regulations. OPC is the duly authorized agent with the expertise to provide strategic sourcing guidance in the acquisition of all goods and services for the University with a goal of obtaining the highest quality products and services at the best value in fair and open competition. This authority is ultimately exercised by OPC personnel who shall conduct business as ethical and accountable stewards of University funds. Please note that this policy applies only to the University.

OPC’s responsibility is to execute University policies and procedures necessary, and in accordance with published Standard Operating Procedures.

Howard University personnel directly involved in the University’s purchasing process shall be prohibited from holding outside business relationships with vendors who conduct business with the University. Nothing in this policy shall be construed in a manner to supersede any provision of the Howard University *Code of Ethical Conduct* policy as it pertains to ethical standards in the conduct of University business.

II. RATIONALE

OPC conducts acquisitions with the goal of obtaining the highest quality products and services at the best value. As a recipient of federal funds, the University is required to follow an established set of guidelines and policies as set forth by the federal government requirements

- Uniform Guidance (2CFR 200)

III. ENTITIES AFFECTED BY THIS POLICY

This policy affects all entities within the University including grant-funded programs. Compliance is mandatory for all persons with responsibility for acquisition and procurement on behalf of the University, or persons who decide or recommend decisions on University acquisitions. This policy does not apply to the Howard University Hospital.

IV. DEFINITIONS

Acquisition - The purchase of goods and/or services.

Comparative Pricing - The process of procurement through which the purchaser compares multiple pricing sources for a good or service and evaluates them to determine which is most advantageous. Comparative Pricing carries different requirements for procurement, depending upon the dollar value and source of funding. OPC utilizes the Purchasing Checklist and Summary Bid Form for guidance.

Competitive Bidding - a procurement process that allows by publicly or privately soliciting requests for bids wherein Howard identifies all evaluation factors and their importance. Howard considers all proposals, conducts a technical evaluation, and awards a procurement contract to a supplier whose proposal is most advantageous or offers best value. Competitive Bidding is required on all purchases greater than \$250,000 charged to federal awards and federal pass-throughs except for the exceptions listed in Section VI.

ERP System – a software that organizations use to manage day-to-day business activities such as accounting, procurement, project management, risk management and compliance, and supply chain operations. ERP Systems tie together a multitude of business processes and enable the flow of data between them. By collecting an organization’s shared transactional data from multiple sources, ERP systems eliminate data duplication and provide data integrity with a single source of truth.

Minimum Vendor Qualifications (MVQ) – Providers of goods or services must meet Minimum Vendor Qualifications, as defined by the University, before they will be considered potential Vendors. Vendor credentialing minimizes business and legal risks by ensuring that the University only uses Vendors that meet the Minimum Vendor Qualifications.

Online Catalogs – Allow end-users (customers) to request products and services under the negotiated terms of the University’s master contract. When using an online catalog system, product identification and selection time is accelerated; the approval and payment process cycle time is reduced; and pricing errors drop as price is checked against the pre-negotiated contracts reflected in the catalog.

Procurement - The acquisition of goods and/or services. It is favorable that the goods/services are appropriate and that they are procured at the best possible total cost of ownership (TCO) to meet the needs of the purchaser in terms of quality and quantity, time,

and location. Where applicable Purchases using federal sponsored funds must be made in accordance with Uniform Guidance (2CFR 200): The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Cost Principles for Educational Institutions. Additional purchasing requirements needed to comply with the Uniform Guidance can be found on the Procurement Services website.

Procurement Conflict of Interest (“PCOI”) - When a Howard employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a supplier considered for a Howard purchasing transaction.

Purchase Cards (P-cards) - A corporate-liability charge card issued by Howard to qualified employees to use to support Howard business only and in accordance with the PCard policy.

Purchase Order (PO) – A document issued by the Office of Procurement & Contracting indicating types, quantities and agreed prices for products or services a vendor will provide to the University. Sending a Purchase Order to a vendor may constitute a legal offer extended by the University to buy products or services and can only be sent by appropriate personnel from the Office of Procurement & Contracting. All Purchase Orders must be signed by the Chief Procurement Officer to be considered valid. Purchase Orders with a value of \$250,000 or greater must include the signature of the Chief Financial officer. Purchase Orders with a value of \$1,000,000 or greater must include the signature of the Chief Financial Officer, and the President. Purchase Orders with a value greater than \$5,000,000 must include the signature of the Chief Financial Officer, the President, and the Board of Trustees must be noticed of the transaction. [See *Requisition*.]

Request for Information (RFI) – A standard University procurement process generally used when a large, complicated purchase is being considered and the potential pool of suppliers must be pre-qualified.

Request for Quotations (RFQ) – A standard University procurement process where suppliers or vendors are invited to bid on a specific good or service by providing, in addition to the price, information on payment terms, quality level, and length of contract information to assist in the procurement decision. [See *Request for Proposals*.]

Request for Proposals (RFP) - Issued in an early stage of the University’s procurement process, it is an invitation for vendors/suppliers, to submit proposals on a specific good or service according to a formal bidding process. The end-user assists the bidding process by clearly describing the good or service and its intended use or application, and providing performance specifications, whenever possible, to describe the capabilities that are required for the intended use of the good or service. The RFP process provides structure that assists a procurement decision by identifying the risks and benefits upfront prior to purchasing. [See *Request for Quotations*.]

Requester - A University employee who has been trained and granted access to submit requisitions for the purchase of goods and services in the University’s ERP system.

Requisition - An electronic request for the purchase of goods and services submitted via the University's ERP system to OPC for consideration.

Simplified Acquisition Threshold - This acquisition threshold is set by the federal government. The simplified acquisition threshold is currently \$250,000 and is periodically adjusted for inflation.

Small Purchase Procedures Threshold - This acquisition threshold is set by the federal government. This threshold is currently set for purchases greater than or equal to \$10,000 and less than \$250,000.

Sole Source - The concept of selecting a Supplier for an agreement/engagement without a competitive process, based on one or more of the following: a justification that a good or service is unique or proprietary (e.g., specialized and unique laboratory equipment, specialized software, patented materials or techniques); if a supplier has an exclusive agreement or territorial limitation; the Federal awarding agency or pass-through entity expressly authorized noncompetitive proposals in response to Howard's written request; the requirement will not meet the criteria for competition; or public exigency or public emergency (i.e., imminent threat to persons or property) for the requirement will not permit a delay resulting from competitive solicitation.

Solicitations – The overall process that employs *Request for Quotations* and *Request for Proposals* and contains technical and descriptive requirements of a good or service and its intended use or application. Performance specifications are used whenever possible so as to describe the capabilities that are required for the intended use of the commodity or service. All bid specifications are developed by the user department in conjunction with OPC.

Sponsored Program Purchasing – Procurement of goods and services for sponsored programs is covered under *Sponsored Program Purchasing Policy 100-600-021*.

Total Cost of Ownership (TCO) – is a tool used by OPC to assist in determining direct and indirect costs of a product, service or system when analyzed within the overall context of the University's mission and strategic goals.

University Preferred Supplier - A Supplier with whom OPC has established a special arrangement to maximize the purchasing power of the University and reduce the overall cost of goods and services by establishing a University-wide master contract. These arrangements offer numerous features and provide an overall best value for the University. Departments utilizing contracts with Preferred Suppliers, as long as the contract is still in effect, are exempt from participating in the competitive bidding process. Suppliers that have been awarded a contract by Group Purchasing Organizations, Cooperatives, and the Federal Government (GSA schedule) are considered Preferred Suppliers.

V. POLICY PROCEDURES

OPC will only process requisitions which have been fully approved. An approved requisition ensures that all transactions will be sufficiently documented, accurately and

completely recorded, charged to the proper accounting period (fiscal year), properly classified as to expense categories, budget checked, and complies with the University's Procurement & Contracting policies, procedures, and Uniform Guidance.

University's Procurement & Contracting Policies, Procedures, & Guidelines

		DOLLAR AMOUNT OF REQUEST			
		UNDER \$2,499	\$2,500 to \$24,999	\$25,000 to \$249,999	\$250,000 and above
University Unrestricted Resources / Sponsored Program Resources	No quotes required.	3 Written quotes secured either by Procurement or by requester	3 Written quotes secured by Procurement	3 Written quotes secured by Procurement	Formal bidding is required (RFQ or RFP). Procurement administers the process, with requestor input and participation, unless a determination is made that Sole/Single Source/Best Source is the only or most highly preferred option.
	Purchasing Card can be used pursuant to the Purchasing Card Policy OPC encourages the use of preferred vendors.	If the requestor obtains the bids or requests a named source for any reason, the requestor provides appropriate justification (Sole/Single Source/Best Source) or OPC will follow procurement guidelines. OPC encourages the use of preferred vendors. OPC will use Purchasing Checklist and Bid Summary Form for transactions greater than \$10,000 with non-preferred vendors	If the requestor obtains the bids or requests a named source for any reason, the requestor must provide appropriate justification (Sole/Single Source/Best Source) or OPC will follow procurement guidelines. OPC encourages the use of preferred vendors. OPC will use Purchasing Checklist and Bid Summary Form for transactions greater than \$150,000 with preferred vendors		Supporting docs (e.g. quotes, SOW, payment terms & full copies of applicable contracts) are sent to Procurement). Evaluation criteria are developed and an evaluation committee is assembled. OPC encourages the use of preferred vendors OPC encourages all bidders to subcontract a minimum of 20% of all projects with diverse vendors

Please refer to the following documents:

- General Procurement Process Standard Operating Procedures (SOP)_(Link)
- Purchasing Checklist and Bid Summary Form (link)

VI. EXCEPTIONS

The following personal and professional services may be exempted from competitive bidding:

- Services performed by an individual of special skills, e.g., Doctor, Attorney, Teacher, Accountant, Photographer, Chef, etc.
- Services provided by a university, college, or other educational institutions
- Educational or vocational training services
- Experimental, developmental or research work
- Analysis, studies, or reports
- Medicines and medical supplies
- Supplies purchased for authorized resale
- Perishable or non-perishable subsistence supplies

- Electric power or energy, gas, water or other utility services where the prices are controlled by the Public Service Commission or government agencies
- Acquisition of training film, motion picture production, manuscripts or similar products or services
- Technical non personal services involving the assembly, installation, or servicing of equipment of highly technical or specialized nature
- Parts or components as replacement parts of equipment specially designed by the manufacturer
- When acquiring construction where a contractor or group of contractors is already at work on the site, and it would not be practicable to allow another contractor to work on the same site
- Technical equipment requiring standardization and interchangeability of parts
- Rental of hotel facilities for guest accommodation, or conference where specifications may be vague, or requirement may be unique based on individual or group demands
- Advertisement to attract a particular ethnic or gender group for special research purpose.

VII. SANCTIONS

- A. Disciplinary action as allowed by HR Policies and Procedures up to and including termination of employment or student enrollment status.
- B. ERP access shall be revoked.
- C. Department budget shall bear the expense of unfavorable purchases, to include but not limited to late and legal fees.
- D. Failure to use the P-card in compliance with University policy can result in suspension or revocation of the P-card and possible disciplinary action.
- E. The General Counsel of the University, as the Chief Compliance Officer, shall have ultimate authority in determining conflicts of interest and recommending appropriate sanctions.

VIII. RELATED POLICIES

[300-005 Contract Signing Authority Levels and Administrative Requirements](#)

[300-007 Contracting Policy](#)

[100-600-013 Subcontract Execution and Approval](#)

[100-600-021 Sponsored Program Purchasing](#)

IX. HYPERLINK

[Howard University Policy Office](#)