

Wofford College Procurement Standards for Use of Federal Funds

Purpose

This policy exists to document Wofford College's (the College) formalized policies and procedures for the procurement of supplies and other expendable property, equipment, real property and other services with federal funds. These standards are furnished to ensure that such materials and services are obtained in a cost effective manner and in compliance with the provisions of applicable federal statutes and executive orders. The policies and procedures documented herein are applicable to all employees, officers, contractors or other agents with authority to direct federal funds as a result of their affiliation with College.

All procurement transactions shall be conducted in such a manner as to provide, to the maximum extent practical, open and free competition. Individuals subject to this policy should remain alert at all times to the potential for conflicts of interest, as well as other noncompetitive practices that may restrain or restrict competition. In all cases, individuals with authority to direct federal funds should seek to avoid unnecessary or exorbitant expenditures.

Conflict of Interest

No employee, officer, contractor or other agent shall participate in the selection, award, or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, contractor or other 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 the firm selected for an award.

The officers, employees, contractors and other agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, an officer, employee, contractor or other agent may accept a gift of nominal value, provided that the gift was not solicited in any way and that the value of gift was so small as to not influence competition in the procurement process.

In the event of non-compliance with the "Conflict of Interest" provisions above, the officer, employer, contractor or other agent will be subject to discipline as determined by the Provost, Chief Financial Officer, and Sponsored Research Officer of the College, collectively, up to and including removal of the individual's ability to direct federal funds.

Legal and Ethical Conduct

The College expects its employees, officers, contractors and other agents to comply with all applicable federal and state laws. Illegal and unethical practices relating to procurement include engaging in price fixing arrangements, bid rigging, falsifying accounting records, intentional misrepresentations to internal or external personnel, bribery, kickbacks and illegal political contributions, among others.

Materials and Supplies

The College has negotiated contracts with many vendors for purchases of office materials and similar supplies. The College expects that purchases of such materials, to the extent authorized within a project budget, should be made under these negotiated arrangements in order to ensure the lowest possible cost. In the event a lower cost alternative is identified for the purchase of materials and supplies, the employee, officer, contractor or other agent of the College should maintain documentation showing the price available with a negotiated supplier and the price ultimately paid for the items. All individuals with authority to direct federal funds are expected to exercise good judgment and to refrain from purchasing excess or unnecessary supplies.

Competitive Bids

Federal rules and regulations require that a process of competitive bidding be used, to the extent practical, in all procurement activities. Procurement decisions should be made on the basis of all relevant factors, including price, quality, utility, and timely delivery of goods/services. Requirements for competitive bidding:

Purchases up to \$10,000: No formal bids are required. Employees, officers, contractors and agents are expected to exercise good judgment and to secure goods and services in the most cost-effective manner possible.

Purchases of \$10,001 to \$25,000: Minimum of 2 verbal bids is required. Bids may be confirmed in writing, by telephone or by fax or e-mail and may be in response to either a formal or informal request for bids. At a minimum, individuals requesting bids should retain documentation of: supplier/vendor name, specific person offering the bid, date of the bid, price quoted, service/good to be provided.

Purchases over \$25,000: Minimum of 3 written bids is required. Bids may be submitted in writing, via fax or by e-mail. The requester should prepare a written request for bids that outlines all specific factors that will be assessed when evaluating the bids (see further details below).

Purchases over \$100,000: For any purchase using federal funds in an amount greater than \$100,000, the Business Office must be contacted prior to commencing the bidding process. The Business Office will maintain responsibility for ensuring that the bidding process for such purchases complies with all aspects of federal procurement regulations outlined in OMB Circular A-110 and elsewhere.

Solicitations for bids should provide a clear description of all requirements that a bidder must fulfill to have a bid fairly evaluated by the College, including clear and accurate descriptions of any technical requirements. Information provided in the bid solicitation should include (but not be limited to) quantity, description, delivery requirements, special conditions, drawings, specifications, post-delivery service requirements, and due dates/times for bid submission. Any time a request for bids is prepared in whole or in part by an outside third party, that party may not be invited to bid to provide the requested products or services.

In the evaluation of bids, consideration should be given (but not limited) to: price, bidder's previous performance record, whether the bidder has been suspended/disbarred in the past, bidder's availability under scheduling requirements, quality, warranties and other assurances.

In certain special circumstances one supplier of goods or services may offer a unique product or a singular service capability not otherwise available in the marketplace via a competitive bidding process. In the event that an expenditure that would otherwise require competitive bids meets this criterion, the requester must document the reason for the sole source purchase. Such documentation must be submitted to the Business Office in advance of the purchase and must include the reason that the requester believes a sole source provider is appropriate and the method by which it was determined that the price of the good/service is reasonable and appropriate. This documentation must be approved by the Assistant Controller (or equivalent) or higher ranking member of the Business Office prior to the purchase.

Independent Contractors/Consultants

An independent contractor or consultant relationship is a contractual arrangement in which the College engages an individual or firm to obtain professional knowledge, skill or expertise. The College requires that any department, employee, officer or other agent of the College obtain approval from the Associate Vice President for Finance (or equivalent) or Chief Financial Officer (or equivalent) prior to entering into a contractual relationship with a third party. For all contractual arrangements involving expenditures greater than \$10,000, the contract or other formal document must clearly indicate the nature and scope of the work to be performed, the College representative who will act in a supervisory capacity to the contractor/consultant, the timeframe of the work to be performed and the nature and amount of fees to be incurred.

A variety of factors should be considered when determining whether to engage a consultant to perform services associated with the project. The factors below should be considered in determining whether the costs of such services are reasonable in relation to the services rendered:

- The nature and scope of the services rendered in relation to the services expected
- The necessity of contracting for the services, considering resources and capabilities already available at the College
- The past pattern of costs associated with similar contractual arrangements
- The impact on the College's business as a result of engaging the consultant
- The extent of federal financial contributions to the College as a whole
- Whether the service could be performed more economically by direct employment rather than contracting
- The qualifications of the individual or firm in relation to the nature and scope of work and fees charged
- Adequacy of the contractual agreement in describing the nature and extent of the services.

Travel Expenses

Refer to the College's "Travel and Expense Reimbursement Policy" and related "Addendum Applicable to Federal Funds" for specific policies and procedures regarding employee travel expenses. These policies will apply to all individuals who will be reimbursed with federal funds for which any employee, officer, contractor or other agent of the College has primary responsibility.

Emphasis on Small Businesses, Minority-Owned Firms and Women's Business Enterprises

The College recognizes the importance of fostering a vibrant, diverse local and national marketplace for goods and services. Accordingly, the College emphasizes and encourages sourcing from firms that meet federal definitions for Small Business, Minority-Owned Firm and Women's Business Enterprise. To meet this commitment employees, officers, contractors and other agents of the College, should seek to increase the accessibility of these entities to College business by:

- Using these types of businesses for sourcing solutions, when possible
- Involving these types of businesses in competitive bidding processes
- Considering the extent, if any, that these business could be used in a subcontractor role as a component of a larger contract
- Considering the use of consortia where the procurement action may be too large or complex for any single one of these businesses

Equipment Purchases

Equipment is defined as any item that costs more than \$5,000 and has a useful life of more than one year. Equipment purchases are subject to the same competitive bidding policies outlined above. In addition to those requirements, requester's must perform an analysis assessing whether it would be more cost effective to lease the equipment, rather than purchase it outright. This analysis should be performed and documented in advance of, or concurrently with, the competitive bidding process. The Business Office can assist in preparing this analysis.

Document Retention

Any documentation arising out of the application of the policies and procedures above should be retained for at least 3 years following the final disbursement of federal funds associated with the project to which the procurement action relates. For any purchase in excess of \$100,000, consult the Business Office prior to discarding any documentation related to the purchase. In the event the College is notified of a federal audit, lawsuit or other regulatory action related to a purchase or a project involving federal funds, all related documents should be retained indefinitely, even if the 3-year retention period has elapsed.