

Title: Procurement - Policy

Table of contents:

Introduction.....1
University Bid Policy.....1
Exceptions to Policy.....2
Procurement Services Responsibilities.....4
Department Responsibilities.....5
General Instructions.....7

Introduction:

The Procurement Policy consists of purchasing and accounts payable related requirements in order to maintain an efficient and effective procure to pay process for the University. Substantial amounts of money, time and effort are expended annually to acquire and pay for the materials, equipment, furnishings, supplies and services that are necessary for conducting University business. Not only is it imperative that the University manage its purchases efficiently and economically, but evidence of sound procurement management is demanded by our auditors, benefactors, and sources of contracts and grants. The Procurement Policies are, therefore, established to insure that optimum value is attained in all transactions and that appropriate internal controls and accounting practices are followed to mitigate risk to the University. In addition, this document refers to additional policies maintained by other areas of the University, such as the *Independent Contractor Policy*, the *Contract Signature Policy*, the *Conflict of Interest Policy*, etc., in order to ensure that we are also mitigating your personal risk, risk to departments, and risk to our vendors.

For the purposes of these policies and procedures the terms “vendor,” “supplier,” and “purchasing partner,” used interchangeably, is synonymous in meaning. The terms “order,” “purchase,” and “purchase order” include such other instruments of acquisition as rental or lease agreements. The terms “purchase” and “procurement” are synonymous in meaning. The term “p-card” refers to the Boston College Purchasing Card Program as described in the *Purchasing Card Policy*.

Note: For FY15 and FY16, Boston College will continue to follow the procurement requirements of OMB Circular A-110, and will utilize the grace period allowed in the Uniform Guidance. Effective FY2017, starting on June 1, 2016, Boston College will follow the Uniform Guidance Procurement Standards (2 CFR §200.317 through §200.326) for purchases made on sponsored awards.

University Bidding Policy

- 1) All purchases of goods and services from sources outside of the university that exceed a certain cost limit are to be reviewed by Procurement to determine if they should be competitively bid by Procurement Services before they are committed to vendors. Competitive bids must be obtained from a minimum of three qualified vendors, when available, for all orders that total \$5,000 or more, (including blanket and agreement orders, or smaller orders which will total \$5,000 or over.) A minimum of three competitive

bids must be obtained for capital "project" related orders of \$10,000 or more. Orders of lesser value may also warrant competitive bidding as existing market forces and time constraints dictate.

Procurement Services is responsible for managing the competitive bidding process for the goods and services purchased externally by University departments. Within Procurement Services scope of operation, the qualification of potential bidders, the solicitation and analysis of bids, the conduct of any contract review and negotiations, and the awarding of business to vendors are the responsibility of Procurement Services in conjunction with the end user. It is important, therefore, that departments notify Procurement Services of their needs and plans for orders that total \$5,000 or more as soon as they are known so that sufficient time is allowed to complete the competitive bidding process.

- 2) If it is necessary to request a specific consultant, brand name, specific manufacturer, or other sole source as the supplier of a product or service, the requisitioning department is required to provide Procurement Services with written justification for the request, through a [Sole Source](#), including evaluations of the product or service and the supplier(s) and specific evidence of all research conducted in order to make the sole source determination. This documentation must be reviewed and approved or rejected by Procurement Services prior to commitment of an order. Procurement will determine at that time, if the order should be bid, or if the order should be negotiated by Procurement Services. All competitive quotations will be received in Procurement Services, and no competitors price or terms may be divulged by anybody to another competitor.
- 3) Standards: Where standards are in the best interest of the University as a whole Procurement Services has established contracts which include these standard requirements that must be met for certain items such as office furniture, copiers/multi-functional device, computer hardware and software, print and web graphic identities, and other purchases. The list of University Standards and contracts may change. Departments should review the list of Contracts and Standards regularly on Procurement Services' [website](#) to remain current.
- 4) Internal Purchases: In cases where goods and services are available from an internal source, such as Dining Services, the internal department should be used as the primary source and no bid or sole source justification will be required.

Exceptions to the Procurement Policy:

Except as noted below, all materials, equipment, furnishings, supplies, and services, that are required by any individual, department, school, college, or other affiliate of the University, will be ordered through the University's Procurement Services established policies and processes. All contracts, leases, and other types of agreements related to the purchase of goods and services will be reviewed and negotiated by Procurement Services. The only exceptions to this policy are set forth below, and the relevant ordering process for each exception will be covered by a subsequent specific policy and procedure.

Exceptions:

- a. Facilities: General Construction, and associated services, (such as general contractors, plumbers, painter, and architects) will be ordered through the Facilities Management Alteration and Renovation Process; but all related materials, (furniture and equipment) and supplies for that department must be ordered through Procurement Services. Procurement will work with Facilities to be sure that all resulting procurement transactions abide by procurement management practices.

- b. Bookstore Merchandise: Items available for resale in the Boston College Bookstore may be purchased directly from the Bookstore. All books should be ordered through the BC Bookstore, if possible, with exception of the library acquisitions. The Bookstore will review all requests to determine if they can provide the books in a timely and economically efficient manner.
- c. Audio-Visual Services: Film rentals and audio-visual services should be ordered from Media Technology, but related equipment and supplies must be ordered through Procurement Services.
- d. Library Books and Periodicals: Books, periodicals and related informational sources for the libraries will be ordered through the University Library System.
- f. Food and Beverages: Procurement Services is not responsible for the procurement of food and beverages. Food and beverages should be ordered through Dining Services. Departments are reminded to review the [University Alcohol Policy](#). Alcoholic beverages and associated supplies will be allowed on campus only if ordered through the Bureau of Conferences.
- g. Temporary Employees and Temporary Office Services: The services of temporary personnel are to be administered through the Human Resources Department. Information Technology is responsible for the services of IT related consultants.
- g. Employee, Faculty and Executive Search Services: The acquisition of search firms and advertizing for employees, executives and faculty will be administered through Human Resources.
- h. Photocopying and Printing Services: Photo reproduction of material from camera-ready copy as well as print projects under \$5000 will be ordered directly from the University's Copy Center, known as 'Eagle Print". However, printing jobs of greater value must be negotiated by Procurement Services.
- i. Functions: The use of campus facilities and supporting supplies and services for special functions should be ordered through the Bureau of Conferences. The use of facilities outside of BC will be administered by the individual departments and will not need to go out to bid.
- j. Agency and Student Organizations: (900 funds) In the case where funding is the result of deposits made by an outside agency or organization, and not under the direct responsibility of Boston College (Agency funds – 9XX funds), Boston College procurement policies need not apply.
- k. Sub-Awards or sub-contracts issued through the Office of Sponsored Programs: Sub-awards and sub-contracts are administered through the Office of Sponsored Programs. A determination is made as part of the Grant process to provide the sub-award or sub-contract to a particular vendor or institution and at what cost. Bids or sole source documentation is not required for sub-awards and subcontracts administered through the Office of Sponsored Programs.

In all cases, The final determination whether to bid, negotiate, or to include the purchase within an existing contract or strategy, will reside in Procurement Services, in order to provide the best overall value to the full University. Approval of a sole source does not constitute approval of pricing. All pricing should be negotiated and or reviewed by Procurement Services.

All orders of \$5000 and over must be requested using the Boston College PeopleSoft Financials E-procurement Process. Any direct commitment or placement of an order by an individual or department to an external supplier is prohibited except where:

- a. Items of small value, \$5,000 total maximum, are purchased using the applicable Boston College contracted vendor and purchased and paid for under the Purchasing Card Program.
- b. Exceptions are made for those transactions where a purchasing card is not allowed by policy (see the University Purchasing card policy at

www.bc.edu/pcard) or not accepted by the vendor. These transactions may be made through the [PeopleSoft Financials voucher](#) process.

- c. Travel expenses are reimbursed under the Travel Expense reporting process in accordance with the University Travel Policy (<http://www.bc.edu/travel>).
- d. Exceptions will also be made for those purchases where a contract is in place and a voucher has been identified as the most efficient process.
- e. Exceptions are also made for items where Procurement Services has pre-established pricing under a blanket order or long-term contract. These items may be purchased through a BC approved ecommerce or other system for added efficiencies.

Procurement Services Responsibilities:

Procurement Services will procure the necessary materials, equipment, furnishings, supplies and services that accomplish the users' intended purposes and functions at the lowest total cost to the University, all factors considered. All procurements, regardless of funding source, will be made based on the best overall value for the University. Boston College requires that departments notify Procurement Services as soon as orders of \$5000 and over are planned in order to give Procurement Services time to develop the appropriate strategy for the purchase. In addition to price, such factors as quality, design, delivery, service, terms, adherence to required specifications, University security, and past vendor performance will be among those considered in establishing the real value of each purchase. Whenever reasonable and practical, Procurement Services will employ the use of competitive bidding in the marketplace to determine acceptable prices and terms. All competitive bidding procedures will be managed or supervised by Procurement Services in accordance with the University Bidding Policy. All procurements will be made in accordance with the Boston College Procurement's Code of Ethics and the Boston College Conflict of Interest Policy (www.bc.edu/conflictinterest).

1. The responsibility for the management of the University's central procurement function, and for the commitment of University funds within the scope of that function, is delegated to the Director of Procurement Services by the Associate Vice President, Finance, . That responsibility, exercised through Procurement Services, includes the following:
 - a. To define and implement viable purchasing policies, procedures, systems and controls that best serve the University's purpose, objectives and community;
 - b. To provide adequately trained and motivated personnel to manage the function and responsibilities of Procurement Services;
 - c. To obtain, in a timely, efficient and economical manner, all materials, equipment, furnishings, supplies and services required for the continuity of the University's operations and activities, except as noted above under University Bidding Policy;
 - d. To locate sources of supply that offer suitable-quality products and services, efficient transaction processes, timely deliveries, dependable service, competitive prices, and reasonable terms, providing a best value for the total University;
 - e. To solicit competitive bids whenever reasonable and practical; to analyze vendors' proposals and make recommendations to users; to negotiate with suppliers for advantageous prices, terms, and conditions; and to commit purchase orders to those vendors who most nearly meet the objectives of the University and the users;
 - f. To evaluate and recommend to users and the Associate Vice President, Finance, new products and services and systems that will promote greater efficiency and economy in the University's operations without sacrificing other established values;
 - g. To develop, promote and maintain University standards for products and services of common use and/or best value;
 - h. To advance ethical relationships between suppliers, their representatives, and University personnel; and to protect the University's reputation for fairness and integrity in all transactions with the business community;
 - i. To recognize the unique relationship that exists between the University, as a purchaser of goods and services, and various alumni and friends of the University as

- potential suppliers of those goods and services. In these situations, to allow this group of suppliers special consideration only if, all costs, conditions and values are judged by Procurement Services to be equal;
- j. To encourage the development and use of diverse vendors in supplying goods and services to the University. To promote among University departments the procurement of products and services from those qualified enterprises as tangible evidence of the University's social responsibility;
 - k. When consistent with established and/or proper standards of value for the University, to follow the preferences expressed by users in the selection of goods and services to be obtained by Procurement Services and to advise users when alternative selections could result in better product quality, vendor service and/or economy to the University and the users;
 - l. To assist users in the preparation of detailed specifications for products or services that will be competitively bid and purchased;
 - m. To provide departments with cost estimates for future budgetary purposes on supplies, equipment and services in a timely manner;
 - n. To routinely follow up on orders with long delivery schedules; also, to expedite deliveries of goods and services when users are bound by unusual time constraints. To provide substitute materials or services, whenever possible, to avert shortages or delays caused by strikes, catastrophes or other emergencies—providing that those substitutions are acceptable to the users;
 - o. To insure that vendors are efficiently and correctly paid for products or services properly supplied. To assist departments and vendors in resolving errors and discrepancies that may occur in the shipping, invoicing and payment processes;
 - p. To dispose of—by redistribution, sale or other means – surplus University furniture, fixtures, equipment and supplies, excluding computer hardware, which is under the responsibility of Information Technology. To protect the priority of the University by retaining items of value and redistributing them to other departments before offering the property within the University community to outsiders;
 - q. To maintain documentation submitted for payments in accordance with the University Records Retention Policy (<http://www.bc.edu/offices/controller/meta-elements/pdf/RecordRetentionPolic.pdf>) and to provide help to departments as needed to provide documentation of approved receipts previously submitted for audit compliance;
 - r. To administer travel and travel related policies and processes for faculty and staff. See the University Travel Policy at www.bc.edu/travel.

Departments Responsibilities:

Subject to the limitations noted below, any authorized person in the University may contact a vendor directly for preliminary discussions related to gaining knowledge about a product or service. However, the following requirements must be observed at all times:

- a. Prior to any purchase, departments should review the University's internal suppliers, as well as the list of University Contracts, Standards, and preferred vendors to obtain product from these suppliers, when possible.
- b. Prior to initiating any direct contact with a vendor on an order of \$5000 or more, the interested person ("user") or departmental representative should contact Procurement Services to discuss his/her needs. The appropriate buyer in Procurement Services will answer questions, offer guidance with respect to established University standards and supply agreements and will recommend suitable vendors to be contacted for preliminary discussions. If the user has more technical knowledge about a desired product or service than the buyer, the buyer will be guided by the user's information and will assist the user in the correct procurement process.

- c. Departments may obtain pricing information for budget purposes only, but all vendors must be made aware that there will be a competitive bid once specifications are finalized. Once the RFP or bid specifications are finalized, all communication with vendors must be referred to Procurement Services. No commitments can be made by departmental personnel.
- d. Any preliminary discussions between a user and potential suppliers must be limited strictly to fact-finding: descriptive literature, technical information, usage demonstrations, production and delivery schedules, and estimates of cost may be requested but no commitment involving University funds can be made in any form whatsoever.
- e. Any administrator, faculty or staff involved in the evaluation of, or commitment of funds for a purchase, must identify any potential conflict of interest in accordance with the University Conflict of Interest Policy (www.bc.edu/conflictinterest).
- f. All bidding and negotiation procedures, final pricing of orders, reviewing of contract terms, and placement of purchase orders will be accomplished only by authorized buyers in Procurement Services.
- g. Boston College will not pay suppliers for preliminary consultations, demonstrations or other charges prior to negotiations. If a vendor indicates the necessity to incur expenses or obligations during preliminary discussions, the user shall contact Procurement Services immediately for assistance in handling the situation.
- h. A requisition using the PeopleSoft Financials E-Procurement System must be completed for budgetary approval and issuance of an authorized purchase order and or contract. If a change to an existing order is required, departments must create the necessary change order request and contact Procurement Services.
- i. Professional Services: Contact Procurement Services to discuss Professional Service requirements prior to initiating your request. All requests for professional services being provided by an individual, regardless of funding source, will be reviewed by Procurement Services and Human Resources for adherence with the University Independent Contractor Policies prior to being approved as a vendor for the University (see [Independent Contractor Policy](#)). Departments must first review the [Independent Contractor Determination Guidelines](#) to determine if the services are to be considered applicable to an employee, (temporary or permanent) or an independent contractor. Employee findings are administered by Human Resources. If an independent contractor funding is determined, departments must contact Procurement Services for bidding and contract requirements. Bids, and/or sole source justifications must be reviewed by Procurement prior to any contact with contractors. Procurement Services will be responsible for negotiations and contracts. Any recommended acquisitions of materials, equipment, furnishings, travel, or supplies in conjunction with the consultations shall be managed through Procurement Services.

User and /or Requisitioner: A “user” is any individual in the University who is authorized to use the products or services that will be or have been purchased. A “requisitioner” is any person who currently is authorized by an officer of the University, as dean, a department head, a director, or a fiscal program-manager to originate purchase requisitions in PeopleSoft Financials, for materials, equipment, suppliers or services required by a particular department and that will be paid for with University funds. A user and a requisitioner may or may not be the same person. The responsibilities of the user and/or requisitioner include the following:

- a. As part of the Annual Budget Review Process, or upon receiving annual, grant, or other funding, or obtaining changes to funding, to review purchase requirements with Procurement Services so that any purchases can be scheduled and strategized in a timely manner;
- b. To plan as far ahead as is possible for the needs of the department or user. In forecasting those requirements, to allow sufficient lead times for budget approvals, any competitive bidding and contract negotiations, as well as order placements and deliveries;
- c. To check existing budgets, grants or contracts before completing requisitions or purchase order change request forms to be certain that funds are available to cover the total cost of

- the items to be purchased. To follow University policy regarding signature authority and to understand that purchase orders and contracts cannot be signed by buyers and released to vendors if adequate funds are not available in the proper budget categories; To take action to correct orders that have rejected (not encumbered) due to lack of proper funding.
- d. To adhere to the University requirement for the proper use of funding, documentation and records retention, to conform to the GAAP standards (General Accepted Accounting Principles). These requirements include, but are not limited to, the use operating funds for purchases used during the applicable operating year only, that no pre-payments are allowed, and that purchases are used for the University business purposes only.
 - e. Users are also required to use University contracts, ecommerce sites, and systems for procurements, when possible, and to remain current with the latest information by visiting Procurement's Ecommerce site and PeopleSoft Financials site, and reviewing Purchasing Card User Guide to acquire the most recent knowledge before making a purchase outside of the systems;
 - f. To consult Procurement Services, before contacting vendors or issuing requisitions, regarding established standards or recommendations for goods and services, appropriate sources of supply, and special pricing agreements or procedures that may generate maximum values and expedient results. To ascertain, through Procurement Services or applicable website, whether or not any used furniture or equipment may be available and capable of accommodating the needs of the department/user;
 - g. To provide Procurement Services with accurate and complete specifications of needs, including any samples, diagrams, colors, catalog reference numbers, sketches, or other descriptive material that will assist the buyers with bidding, negotiating, order placement, shipping procedures and/or installation;
 - h. To establish and maintain proper safeguards, reporting, and reconciliations within the requisitioning department that will prevent the unauthorized use of University Procurement systems, including purchasing cards, American Express Corporate Cards and PeopleSoft;
 - i. To provide proper University Identification when picking up a p-card or American Express Card or other item in Procurement Services;
 - j. To act as receiving agent for goods and services ordered; to immediately inspect all shipments and review all invoices received, and to ascertain that items and quantities are correct and have been received in good order or that services as invoiced have been performed properly; to regularly review the query for payments-in-process to be sure items have been delivered;
 - k. To notify Procurement Services immediately whenever shipment or invoice discrepancies occur; to retain possession of and protect unsatisfactory materials, and their shipping containers, until proper arrangements can be made for their return to the supplier or for their disposal; to retain receipts and packing slips for all purchases made, as necessary.
 - l. To submit legible, efficient and accurate invoices and receipts for payments and reimbursements in accordance with University policies and procedures in a timely manner;
 - m. To adhere to the University [Policy for Data Security and Confidentiality](#) in submitting receipts, vendor information, and other documents as necessary for the procurement process;
 - n. To act in a timely manner to enter and approve information necessary for the efficient payment to vendors, employees or others for received goods and services or reimbursement of expenses.

GENERAL INSTRUCTIONS:

It is particularly important, and advantageous to every department, that all personnel who use requisition good and services understand the rationale and mechanics of the Procurement

system. Therefore, additional information is provided below to facilitate that understanding; and compliance with the instructions is required in order to maintain reasonable checks and balances in the process and to avoid procedural pitfalls.

1. Procurement Services is totally committed to serving the best interests of the user, the requisitioner, and the University in any legitimate and reasonable procurement transaction. To the extent that a user's choices of a product or service and a supplier are consistent with the accepted or practical standards of value for the total University, including but not limited to quality of product or service, vendor reliability, delivery dependability, competitive pricing, reasonable contractual terms, efficient transactional processes, affirmative action goals, University standards or requirements, and ethics and integrity of the entire transaction, Procurement Services will work with the department to retain those selections in the approved purchase order. If, however, better choices are advisable, the responsible Procurement Services buyer will discuss with the user, the requisitioner, or other responsible persons in the department the reasons for considering the suggested alternatives. Should the buyer and the user not agree, the case will be referred to the Director of Procurement Services, who will consider all of the opinions of the parties involved and work with the department to attempt to settle the matter. If differences of opinion still remain, the Director of Procurement Services may request that the Vice-President responsible for that user's department review the case in question, then decide the issue and countersign the order. Procurement Services will accommodate the Financial Vice-President's decision regardless of the outcome.
2. Commitment of University funds over \$5000 should only be made through an approved purchase order and associated terms and contracts, approved through the University Signature Authority Policy. Any unauthorized action initiated by a user or a requisitioner, including the communication of a requisition number to a vendor or any verbal or written agreement with a vendor, can lead to the subsequent refusal by the University to honor the purchase commitment. Chronic abuse of the established procurement system by a user/requisitioner/department may force the imposition of restrictions on future acquisitions of goods and services.
3. If an emergency occurs, Procurement Services will take immediate action to assist the affected department/user and to review and process any adequately-funded requisitions that have been approved by all necessary areas prior to Purchasing approval.
4. The user/requisitioner should realize that the required University budget encumbrance system will not allow the release of an order to a vendor unless sufficient funds are then available in the correct budget category.
5. The University procurement procedure is intended to be responsive to the changing needs of the community it serves. Changes may occur only if there is sufficient feedback from users of the system to those responsible for its design and implementation. Therefore, purchasing and related procedural problems that may arise should be directed to Procurement Services at purchase@bc.edu. PeopleSoft Financials related technical or security issues should be directed to FMS (at FMS@bc.edu).
6. Exceptions to this policy may be made in the case of a University Disaster as designated by the University Controller. In such a declared "Emergency Situation" the Procurement Policy may be superseded, where appropriate, by the applicable *Emergency Disaster Recovery Policy* (<http://www.bc.edu/emergency>).

STANDARD PROCEDURES:

Detailed procedures for completing and processing a requisition and for approving requisitions appear on the PeopleSoft Financials [website](#). Procedures for creating changes to existing orders appear on the PeopleSoft Financials website under Forms. Only those assigned the appropriate role by their department administrator can enter information into the PeopleSoft Financials system.