

Tusculum University

Procurement Policy for Purchases made with Federal Funds

Effective June 30, 2021

This Policy supplements the University's standard purchasing policy and should be followed for any purchase made with Federal funds. The Federal government imposes a set of standards for the acquisition of supplies, equipment and real property purchased with Federal funds. Procurement procedures must comply with the standards imposed by the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR-200).

Guiding Principles for Purchases

Cost-Effective Policy

Tusculum University (TU) will make every effort to promote cost-effective use of Federal funding. Acquisition of unnecessary or duplicated items will be avoided when possible. Consideration will be given to consolidating or breaking out procurements to obtain a more economic purchase. TU will consider utilizing Federal surplus property when feasible and to reduce costs. In addition, shared services with other entities and/or governments will be considered.

Record Retention

TU will maintain records sufficient to detail the history of procurement. The records will include the rationale for the method of procurement, selection of contract type, contractor standards to which must be performed, all factors considered and applied in the selection of contractors, the details of all budgets and associated expenses, and complete documentation supporting those expenses consistent with all other TU purchases.

Ethical Standards

TU is committed to engaging in business with integrity and making decisions based on high ethical standards, including trust, transparency, respect, and responsibility. As such, no purchases will be made from parties who have been involved in fraud, waste, or abuse.

Avoiding Conflicts of Interest

TU will avoid real or apparent organizational conflicts of interests and non-competitive practices among contractors with procurement supported by Federal funds. Procurement will be conducted in a manner to provide, to the maximum extent practical, open and free competition. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. The officers, employees, and agents of TU may neither solicit nor accept gratuities, favors, or

anything of monetary value from contractors or parties to subcontracts. Disciplinary actions as determined by the Board will be applied for violations of such standards.

Selecting Contractors

TU will maintain oversight of all contractors to ensure performance in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Factors that should be considered when selecting a contractor are:

- Contractor integrity;
- Compliance with public policy;
- Record of past performance;
- Financial and technical resources;
- Responsive bid;
- Excluded Parties Listing (Debarred Contractors
<https://www.dol.gov/agencies/ofccp/debarred-list>)

Contracts will be competitively bid unless:

- The item is available only from a single source;
- After solicitation of a number of sources, competition is determined inadequate; or
- The requirements of simplified acquisition are met. Procedures will be used to the maximum extent practicable for all purchases of supplies or services not exceeding the simplified acquisition threshold of \$250,000. Procurement actions may not be split to avoid competition thresholds. The purpose of the simplified acquisition method is to reduce administrative costs, improve opportunities for small, small disadvantaged, and women-owned small business concerns, promote efficiency and economy in contracting, and avoid unnecessary burdens. However, when the simplified acquisition method is utilized, documentation is required to show that TU took actions to ensure that it is receiving the best price for the services/goods purchased. Contracts of \$250,000 or more need to go through competitive bidding.

It is the responsibility of TU to make every effort to award any contract(s) under a process where maximum competition is achieved in order to obtain the most reasonable prices. TU must document the rationale for selected contractors and ensure that the selection criteria are evenly applied to all bids. Solicitations must clearly set forth all requirements that the bidder or offeror must fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

TU will ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable. TU will make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises. TU will consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises. TU

will encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

Solicitation for Goods and Services

All of the following must be provided for all solicitations:

- A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description will not contain features which unduly restrict competition.
- Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
- A description of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
- The acceptance of products and services, where practicable and economically feasible, dimensioned in the metric system of measurement.
- Preference for products and services, where practicable and economically feasible, that conserve natural resources and protect the environment and are energy efficient.

Purchasing Levels and Required Procedures

Micro-Purchases of \$10,000 or less: No quotations are required if the price is reasonable, and should distribute micro-purchases equitably among qualified suppliers.

Small Purchases between \$10,000 and \$250,000: Price or rate quotations must be obtained from an adequate number of qualified sources.

Purchases over \$250,000:

Construction Projects with a Firm Fixed Price – Requires procurement by publically solicited sealed bids. The contract must be awarded to the lowest price qualified bidder whose bid conforms to all material terms and conditions.

Competitive Proposals based on Either a Fixed price or Cost Reimbursement – Used when conditions are not appropriate for the use of sealed bids. Contracts must be awarded to a qualified vendor whose proposal is most advantageous to the program, with price and other factors considered.

Sole Source Contract – May only be used if one or more of these criteria are met: 1- the service or good provided is unique, 2 – in the case of an emergency or, 3 – if the federal funder authorizes it. The basis for considering and selecting the vendor must be documented.

Compliance Requirements of the University

All Federal grant applications and implementations must be coordinated with the Business Office and the President's Office to ensure compliance with all Federal guidelines. Training by the

Business Office will be required of all personnel working with any Federal grant to ensure understanding of the requirements and the importance of compliance with all guidelines. All financial reports will be prepared and/or reviewed by the Business Office before submission to the granting agency, and will be completely reconciled to the official financial records of the Institution. Periodic reviews will be completed by the Business Office to ensure continued compliance throughout the award period.

Any departure by any employee from following the established policies and procedures will be a ground for dismissal. Any questions should be forwarded to the VP of Finance and CFO at (423) 636-7342.