

PURCHASING POLICIES AND PROCEDURES

Overview

It is the policy of BVARI to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

Use of Purchase Orders

It is the policy of BVARI to utilize a purchase order system. A properly completed purchase order shall be required for all purchases of goods and services. Continuous purchases with organizations will have blanket purchase orders. Infrequent purchases require specific purchase orders for each purchase. Purchase orders are kept in a secure computer folder in the accounting department, and issued upon request from an authorized purchaser.

Responsibility for Purchasing

All department heads and investigators shall have the authority to initiate purchases on behalf of their department or research program, within the guidelines described in this policies manual. In addition, department directors and investigators may delegate purchasing authority to responsible individuals within their department or research program. Department directors or investigators shall inform the accounting department of all individuals that may initiate purchases or prepare purchase orders. The accounting department shall maintain a current list of all authorized purchasers of BVARI.

The accounting department shall be responsible for processing purchase orders. The Director of Finance has approval authority over all purchases and contractual commitments as defined in this policy, which exceed \$2,500. The Director of Finance shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Non-Discrimination Policy

All vendors/contractors who are the recipients of Organization funds, or who propose to perform any work or furnish any goods under agreements with BVARI shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.

2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

Authorizations and Purchasing Limits

All completed purchase orders must be signed by the preparer and approved by the department director or investigator. In addition, the Chief Executive Officer or the Director of Finance must approve all purchases in excess of \$2,500.

All contracts in excess of \$2,500 between BVARI and outside parties must be reviewed and approved by the Investigator or Department Director, as well as the Chief Executive Officer. The CEO is authorized to enter into any contract on behalf of BVARI.

Contracts of \$2,500 or less must be reviewed and approved by the Investigator or Department Director and the Director of Finance, but do not require approval from the Chief Executive Officer. These policies shall also apply to renewals of existing contracts.

Required Solicitation of Quotations from Vendors

Purchases in excess of \$10,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, quotations from at least three (3) vendors. In the event of there being only one vendor, sole source justification will be required.

Expenditures exceeding \$25,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, written quotations from at least three (3) vendors. Specific selections shall be recommended, via the Investigator or Department Directors, to the Director of Finance for approval with written quotations attached for review, by the Director of Finance. Recommendations shall be based on consideration of all applicable criteria as described under "Evaluation of Alternative Vendors" below.

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled "Evaluation of Alternative Vendors" for required criteria)

3. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
4. The acceptance, to the extent practicable and economically feasible, of products dimensioned in the metric system of measurement.
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
6. A description of the proper format, if any, in which proposals must be submitted.

Evaluation of Alternative Vendors

It is the policy of BVARI to request written proposals from at least three vendors for all purchases that will exceed \$10,000. Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority-, women-, or disabled veteran-owned business status of vendor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a vendor has been selected and approved by the department director, the final selection shall be approved by the Chief Executive Officer or Director of Finance prior to entering into a contract. The contract is to be signed by the Chief Executive Officer.

Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

Positive efforts shall be made by BVARI to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. 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. (Providing the use of multiple vendors does not hinder deadline criteria)
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of Organization property is involved.

Single Distributor/Source:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary, for purchases under \$1,000.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated With Federal Awards."

Ethical Conduct in Purchasing

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.

Conflicts of Interest Prohibited

No member of the Board of Directors of the Organization or staff members thereof shall, either directly or indirectly, be a party to or be in any manner interested in any contract or agreement with the Organization for any matter, or cause, whatsoever by reason whereof any liability of indebtedness shall in any way be created against the Organization. If any agreement or contract shall be made in violation of these regulations, the same shall be null and void, and no action shall be maintained thereon against the Organization.

BVARI will avoid contracts and procurements with entities which could allow for potential conflicts of interest.

Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by BVARI are subject to all of the specific Organization purchasing policies described earlier. In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. BVARI shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award, after reviewing the grant budget.
2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal government. In most instances, purchasing will be the cheaper alternative.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award. This is to include all appropriate bids for equipment.
4. For all procurements in excess of the threshold established by the Federal Awarding Agency, procurement records and files shall include all of the following:
 - a. Request for proposal
 - b. Contractor quotes

- c. The basis for contractor selection.
 - d. Justification for lack of competition when competitive bids or offers are not obtained.
 - e. The basis for award cost or price.
5. BVARI shall make all procurement files available for inspection upon request by a Federal Awarding Agency.
 6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency.
 7. BVARI will also perform a search to determine vendor eligibility

Code of Conduct

No employee, officer or agent, acting on behalf of BVARI 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 or agent, or 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, and agents of BVARI shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements.