

# Occidental College Purchasing Policy

## Purchasing Policy, General

**Responsible Official:** Associate Vice President for Finance / Controller

**Responsible Office:** Business Office

**Effective Date:** July 1, 2015

**Revision Date:** August 1, 2016

## Policy Sections

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## **IMPORTANT: Procurement with Federal Awards**

Policy: Occidental College will comply with OMB Circular A-110 Procurement Standards as defined in Subpart C, Post-Award Requirements, Sections .40-.48 for all federal grant funded purchases until July 1, 2017 as described in this policy.

### Procedure:

All purchases using federal awards should continue to be made in accordance with the procurement requirements of OMB Circular A-110.

## **Scope**

The General Purchasing Policy outlines the requirements for purchasing all goods and services at the College. The policy addresses a variety of areas to include: standards of conduct, competition and vendor selection, approval requirements, receipt of goods acknowledgment.

## **Policy Statement**

Occidental College personnel shall purchase goods and services using practices that are compliant with Federal and state laws and aligned with Occidental's best interest. Furthermore, goods and services purchased with sponsored funds must comply with the sponsor's terms and conditions.

## **Definitions**

### Contract

An agreement with a single vendor which consists of pre-negotiated pricing, terms, and conditions for the purchase of specific goods/services.

### Receipt Acknowledgment

The acknowledgment of the receipt of goods or completion of services. This step is required before vendor payment.

### Supplier

A person or organization that provides goods or services to the College. The term supplier is used interchangeably with the term vendor.

### Vendor

A person or organization that provides goods or services to the College. The term vendor is used interchangeably with the term supplier.

## **Overview**

Purchases for College business are handled throughout the organization. Occidental follows a decentralized purchasing structure.

## **Standards of Conduct**

No College employee, officer or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the 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 firm considered for a contract. The officers, employees, and agents of Occidental College may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subcontracts. Violations of this policy and procedure may carry disciplinary consequences up to and including dismissal.

## **Segregation of Duties**

Departments must segregate the duties of purchasing, receiving, and authorizing payment for goods and services by distributing the duties among two or more people. If staff limitations require one person to be responsible for these functions, a supervisor must accept responsibility for monitoring and verifying the transactions.

## **Competition and Vendor Selection**

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the College, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the

bid or offer to be evaluated by the purchaser. Any and all bids or offers may be rejected when it is in the College's interest to do so.

### **Procurement Procedures (for purchases made with federal awards)**

- Employees should avoid purchasing unnecessary items.
- Where appropriate, an analysis should be made of lease and purchase alternatives to determine which would be the most economical and practical.
- Solicitations for goods and services should provide for all of the following:
  - 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.
  - Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.
  - A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  - The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.
  - The acceptance, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- Positive efforts shall be made by employees to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.
- The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.
- Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension."

### **Cost and Price Analysis (for purchases made with federal awards)**

Some form of cost or price analysis shall be made and documented in the procurement files in connection with procurements greater than \$25,000. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

### **Procurement records for purchases made with federal awards**

Procurement records and files for purchases in excess of the small purchase threshold (\$25,000) include the following at a minimum: 1) basis for contractor selection, 2) justification for lack of competition when competitive bids or offers are not obtained, and 3) basis for award cost or price.

## **Receipt of Goods Acknowledgment**

Departments are responsible for verifying the actual receipt of goods and services. Receipt of acknowledgment confirms that purchased goods and services have been received in the manner and quantity ordered.

## **Special Situations/Exceptions**

Any special situations or exceptions to this policy must be approved by the Associate Vice President for Finance / Controller.

## **Violation of Policy**

The College's Policy is intended to maximize the College's buying power, streamline business practices and reduce potential institutional risks associated with contracting and other procurement related activities. Violation of the College's policies may carry disciplinary consequences, up to and including dismissal.

## **Roles, Responsibilities, and Authorities**

### **Approver**

- Approves the purchase of goods and services.
- Acknowledges that purchased goods and services are in accordance with College policies and procedures and are charged to the appropriate FOAPAL.
- Maintains oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- Provides receipt acknowledgement for goods and services delivered to the College.

### **Grant Specialist**

- Provides guidance regarding purchases related to sponsored programs.

### **Office of Risk Management**

- Provides guidance regarding insurance requirements for vendors.

### **Principal Investigator**

- Initiates, approves, and delegates purchasing transactions related to sponsored project awards.

### **Purchaser**

- Prepares or places orders for goods and services.
- Determines that costs of requested goods and services are reasonable and allowable for the funds being used to pay for the items.