



**Harvard Pilgrim Health Care, Inc.
Harvard Pilgrim Health Care Institute
Office of Sponsored Programs
Policy and Procedure**

TITLE: Grant Related Procurement

PURPOSE:

To provide guidance to the HPHC/I research community on the regulations regarding purchasing goods and services with Federal money.

PERSONS AFFECTED:

This policy & procedure (P/P) applies to all Harvard Pilgrim Health Care, Inc. (HPHC) and Harvard Pilgrim Care Institute, LLC (HPHCI) (collectively, HPHC/I) personnel engaged in research, teaching or research administration activities in support of the charitable and educational mission of HPHC, Inc.

POLICY:

It is the policy of HPHC/I to follow the 2 CFR 200 Uniform Guidance (UG). The UG, in effect 12/26/2014, revised and effective 11/12/2020 requires that non-Federal entities perform a competitive bidding process to acquire goods and services using sponsored funds as of 1/1/2018. The UG states that the “non-federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part” in addition to noting and following individual sponsor award terms and conditions that may contain procurement requirements.

HPHC/I will maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Contractors who assist in drafting specifications for requests for proposals (RFP) must be excluded from competing for those opportunities. In addition, RFP specifications cannot have unreasonable requirements that are meant to limit competition. Procurements must be conducted in a manner that prohibits the use of geographical preferences in the evaluation of proposals, except in certain case where federal law explicitly requires or encourages geographic preference or when contracting for architectural and engineering services, provided that specifying geographic location leaves an appropriate number of qualified firms.

DEFINITIONS:

Conflict of Interest means a situation in which a person or organization is involved in multiple interests, financial interest, or otherwise, one of which could possibly corrupt the motivation of the individual or organization. The presence of a conflict of interest is independent of the occurrence of impropriety.

Micro Threshold means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The micro-purchase threshold set by the Federal Acquisition Regulation is \$10,000 (effective June 20, 2018), but this threshold is periodically adjusted for inflation.

Non-Federal Entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Procurement means the act of acquiring, buying goods, services or works from an external source, via a tendering or bid process to make certain that the goods, services or works are appropriate and that they are procured at the best possible cost to meet the needs of the acquirer in terms of quality and quantity, time, and location.

Simplified Acquisition Threshold means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. As of the publication of this part, the simplified acquisition threshold is \$250,000 (effective June 20, 2018), but this threshold is periodically adjusted for inflation.

PROCEDURE:

HPHC/I will adhere to the following methods of procurement outlined in The Uniform Guidance:

- **Micro-purchase:** Purchases where the aggregate dollar amount does not exceed \$10,000. When practical, the entity should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if management determines that the price is reasonable.
- **Small purchase:** Includes purchases up to the Simplified Acquisition threshold of \$250,000. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.
- **Competitive proposals:** Used for purchases over the Simplified Acquisition Threshold. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.

- Noncompetitive proposals: Also known as sole-source procurement. When procurement requires performance from a specific entity because the services or expertise are unique to that entity (vendor/contractor (consultant) HPHC/I will treat these requests as sole source. Procurement from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

Principal Investigators (PIs) must provide a justification, (Sponsored Programs Application (SPA) Section VIII) identifying the need for services and why the selected subrecipient(s) or vendor(s) is/are the only source(s) available for the needed services. This justification must be submitted to the Office of Sponsored Programs (OSP) for review and approval.

Vendor Selection

All necessary affirmative steps will be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible, including

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Debarment Documentation Requirements

Purchases of any amount from debarred suppliers/vendors cannot be charged to federal funds, cost-share funds, or expenses to be transferred onto federal or cost-share funds. Federal Awards that have been classified as a grant, cooperative agreement or other transaction award do not require additional debarment documentation due to reviews completed by Visual Compliance.

Federal awards that have been classified as a contract, whether cost reimbursable or fixed price, under Federal Acquisition Regulations (FAR) require additional debarment attestation by the supplier for purchases of \$35,000 or more. This also applies to cost-share funds linked to federal contracts. The additional documentation can be included as language in the signed contract. Staff must review the payments and journals to confirm any debarment language or attestations are included as needed. The Office for Sponsored Programs will also monitor purchase orders and journals on federal contracts on a monthly basis. Any awards or cost-share funds that require but do not have debarment information on file, cannot be charged to a federal award or cost-share funds.

REVISION HISTORY:

Department: OSP	Title: Policy & Procedure Grant Related Procurement
Effective Date: 5/4/2021	Owner: Director, Office of Sponsored Programs
Reviewed By/On: Charlotte Johnson 6/22/2018; 8/17/2018; 10/9/2020	
Replaces P/P Dated: 1/1/2018; 9/1/2018	
Related Documents: HPHC Procurement Guidelines https://jive.hphc.org/docs/DOC-31535	
References: HPHC is a corporate member of the Greater New England Minority Supplier Development Council (GNEMSDC) and Center for Women & Enterprise (CWE). Certified MBE/WBE suppliers www.somwba.state.ma ; Uniform Guidance https://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1	
Approved By: HPHCI Compliance Committee; HPHC Procurement Office	