

Procedures for the Procurement of Goods and Services

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A. Introduction

Procurement of goods and services at the Universidad del Sagrado Corazón (“University”) must be conducted in an open and competitive environment to ensure that proper value is received, and that prices paid are fair and reasonable. Procurement activities are primarily conducted by the Procurement Office in support of and in collaboration with the Requisitioner Fiscal Units.

All purchases of goods and services must be made in accordance with the University’s Policy for Procurement of Goods and Services (“Procurement Policy” or “Policy”). The Procedures for the Procurement of Goods and Services (“Procurement Procedures” or “Procedures”) set forth herein define how to carry out the procurement of goods and services.

All operating units and their personnel, as well as any non-employees expressly authorized to make purchases on behalf of the University, must comply with the Policy and the Procedures. They are intended to ensure that University’s resources are used properly during procurement activities. Consistent adherence to the Policy and the Procurement Procedures provides the reliability and assurance that procurement activities meet regulatory requirements and sound business practice for acquisitions, contracts, and third-party arrangements.

B. Application

These Procurement Procedures apply to all purchases subject to the Procurement Policy. If any such purchases are also subject to other external regulations, sponsor or donor terms, or internal procedures, the more restrictive set of rules will apply.

C. Definitions

The definitions contained the Glossary of Terms in the Policy for Procurement of Goods and Service apply to these Procedures.

D. Procurement Methods

These Procedures apply to all procurement methods set forth in Section E of the Policy.

E. Levels of Authorization

The University’s Signatory Levels of Authorization Policy shall apply to all purchases and contracts executed on behalf of the University. This Policy sets forth the University officers and employees who are authorized to enter into different levels of purchases and contracts, including any changes or amendments to an awarded Purchase Order or Contract. All purchases must be approved by the authorized officer as defined in the following Levels of Approval based on a reasonable and good faith estimate of the cost of the contractual action.

Method	Acquisition Thresholds	Authorizing Officers
1. Micro-Purchase	Less than \$10,000.	Unit Fiscal Officer
2. Small Purchase	\$10,000 up to \$250,000	Unit University Officer
3. Sealed Bid	>\$250,000	Unit University Officer and President
4. Competitive Proposals	>\$250,000	Unit University Officer and President
5. Sole Source	Available for procurements of any dollar amount	Unit Fiscal Officer and Unit University Officer up to \$250,000 Unit University Officer and President if >\$250,000

All purchases of goods and services in information technology also require the prior approval of the Chief Information Officer. All purchases of goods and services, and all construction work, also require the prior approval of the Chief Operations Officer.

F. Vendor Selection

All purchases must be made from Responsible Vendors who meet the requirements applicable to the particular purchase. The University requires and encourages competition among Vendors in providing goods and services to the University. Competition provides the greatest opportunity for the University to procure goods and services at the best value.

1. Vendor Registry. The Procurement Office shall maintain a registry of all Vendors who are pre-qualified as “responsible” and can provide goods and services to the University. The purpose of this Vendor Registry is to facilitate Micro and Small Purchases. The Vendor Registry shall include as many Vendors as possible, shall be regularly maintained with sufficient prequalified sources relevant to the University’s requirements to ensure competition among an adequate number of qualified sources, and permit potential Vendors to seek qualification during the solicitation period. The Procurement Office shall update the University’s Vendor Registry at least every two years. The following factors are considered when pre-qualifying Vendors:

- a. Quality of service
- b. Price competitiveness
- c. Delivery capability
- d. Customer service
- e. Product’s quality
- f. Past performance
- g. Vendor integrity

- h. Financial capacity
- i. Regulatory and legal compliance
- j. Other relevant factors.

2. Vendor Screening and Qualification. Vendors are screened and selected based on their capacity to serve the needs of the University in the most economical and efficient manner possible. The Procurement Office and the Requisitioner Fiscal Units must use their best efforts to identify qualified Vendors categorized as small, disadvantaged, minority, women-owned businesses, and other businesses or organizations employing people with work-limiting disabilities and to actively solicit and encourage their participation in procurements whenever they are potential sources and to provide equal opportunities for such Vendors within the University structure to promote vendor diversity

3. Solicitation of Quotes or Proposals. In the context of procurements for Small or Micro Purchases, the University may solicit quotes or proposals from Vendors as follows:

- a. *Prequalified Vendors.* The Procurement Office and the Requisitioner Fiscal Units may solicit quotes or proposals for Micro and Small Purchases from Prequalified Vendors in the Vendor Registry. The use of this registry alone, however, does not meet the requirement to **publicly advertise** Procurement Requests in excess of the Simplified Acquisition Threshold.
- b. *Other Vendors.* The Procurement Office and the Requisition Fiscal Units may seek additional potential Vendors for particular purchases that are not included in the Vendor Registry. Any such new potential Vendors, however, must meet all requirements to qualify as authorized Vendors. Where a Prequalified Vendor does not exist for Micro and Small Purchases, other possible Vendors should be identified and qualified.

G. Purchase Requisitions

All purchases require a duly completed Purchase Requisition, except in those limited purchases that in accordance with the Procurement Policy and these Procedures may be executed without Purchase Orders or Contracts. The Purchase Requisition must contain all the information and supporting documents that the Procurement Office requires to proceed with the procurement method applicable to the proposed purchase.

The Requisitioner Fiscal Unit is responsible for submitting the Purchase Requisition to the Procurement Office with all the required information and supporting documents. In the event of purchases that will require the execution of a Contract (rather than the mere issuance of a Purchase Order), the Requisitioner Fiscal Unit must submit with the Purchase Requisition a form of the proposed contract that has been approved by the University's Legal Counsel. The Requisitioner Fiscal Unit may request the establishment of a Blanket Purchase Order to handle the repetitive purchase of products or services.

The Procurement Office shall review all Purchase Requisitions for completeness and compliance with the Policy and the Procedures. If the Purchase Requisition is not complete or fails to meet the Policy or the Procedures, the Procurement Office will notify the Requisitioner Fiscal Unit and work with the said unit to rectify the situation.

The Purchase Requisition must include the minimum required number of quotations or proposals as per the Procurement and Thresholds Table below. If the Requisitioner Fiscal Unit cannot provide the required quotations, the Procurement Office shall use its best efforts to obtain the required quotations.

Quotation, Bid or Proposal Requirements by Procurement Method

Method	Acquisition Thresholds	Requirement	Comments
1. Micro-Purchase	Less than \$10,000.	May award without soliciting competitive quote if price is "fair and reasonable." Obtain written quote from at least one (1) prequalified vendor or other qualified source	Distribute equitably among suppliers
2. Small Purchase	>\$10,000 up to \$250,000	At least two (2) written quotes or proposals from prequalified vendors or other qualified sources. Adequate number of qualified sources may depend on the circumstances of procurement	Most common method. No cost or price analysis necessary.
3. Sealed Bid	>\$250,000	Public advertising of Invitation for Bids in any means of wide media distribution such as websites, emails, or social media, or newspapers, among others. Firm-fixed pricing (lump sum or unit price). Basis of Award: Price. Requires price analysis for certain types of awards.	Primarily for construction projects. Procurement Evaluation Committee involved.
4. Competitive Proposals	>\$250,000	Public advertising of Invitation for Bids in any means of wide media distribution such as	Primarily for professional services.

Method	Acquisition Thresholds	Requirement	Comments
		websites, emails, newspapers, or social media, among others. Firm-fixed pricing or Cost Reimbursement. Basis of Award: Best Value Requires price or cost analysis for certain types of awards.	Procurement Evaluation Committee involved.
5. Sole Source	Any dollar amount (if applicable)	No competition required. Must comply with the Procurement Policy.	Use only as necessary.

H. Purchase Instruments

Purchases must be executed using a Purchase Order or a Contract, except in those limited circumstances authorized by the Procurement Policy in which a purchase may be realized and paid through a Disbursement Voucher or a Corporate Credit Card.

- 1. Purchase Orders.** A Purchase Order may be used for Micro-Purchases or Small Purchases. Purchases over the Simplified Acquisition Threshold will require a Contract even though the Procurement Office may issue a Purchase Order for record keeping and documentation purposes.

Purchase Orders shall be prepared and issued by the Procurement Office in response to a duly approved Purchase Requisition, to a Responsible Offeror that has submitted a responsive quote or proposal with the most favorable price and other terms and conditions. A properly executed Purchase Order constitutes a contract that is binding to both the University and the vendor or contractor. Depending on the dollar amount or type of procurement, a Purchase Order using federal funds must contain the applicable provisions described in Appendix II of 2 CFR Part 200 (Contract Provisions for non-Federal Entity Contracts Under Federal Awards), and included in Attachment A.

- 2. Contracts.** Contracts may be used all procurement methods and must be used in all purchases over the Simplified Acquisition Threshold such as Sealed Bids and Competitive Proposals.

In the event of Micro and Small Purchases, Contracts may be awarded to by the Procurement Office in response to a duly approved Purchase Requisition, to a Responsible Offeror that has submitted a responsive quote or proposal with the most

favorable price and other terms and conditions. Even if a Contract is used for a Micro Purchase or a Small Purchase, the Procurement Office may still issue a Purchase Order for record keeping and documentation purposes.

All procurement Contracts made in the ordinary course of business of the University must be executed by proper University officer with authority as defined in the Policy Regarding Signatory Levels of Authority. In accordance with 2 C.F.R. 200.326 all contracts using any federal funds must contain the applicable provisions described in Appendix II to Part 200 - Contract Provisions for non-Federal Entity Contracts Under Federal Awards, and included in Attachment A.

- 3. Disbursement Vouchers.** Disbursement Vouchers may be used for Micro-Purchases of \$2,000 or less for those procurements that are subject to the Procurement Policy.

The Requisitioner Fiscal Unit processing a Disbursement Voucher must include the original invoice from the Vendor and be approved by the corresponding Requisitioner Fiscal Unit's Fiscal Officer based on any applicable cost or price analysis.

A Disbursement Voucher may not be used for the acquisition of capitalized fixed assets equal or exceeding the current capitalization threshold. All purchases of capitalized fixed assets must be executed using a Purchase Requisition.

- 4. Corporate Credit Cards.** Corporate credit cards may be used for Micro Purchases of \$2,000 or less for those procurements that are subject to the Procurement Policy. The Requisitioner Fiscal Unit processing a purchase with the corporate credit card must submit a report of the purchase and include the original invoice and the receipt from the Vendor.

Corporate credit cards may also be used for limited reimbursable official expenses (ex. travel, hotel, conference registrations) of less than \$10,000 as specified in Section F of the Procurement Policy, in accordance with Policy for the Use of Corporate Credit Cards.

I. Monitoring Compliance with Terms and Conditions

The Requisitioner Fiscal Unit is primarily responsible for managing the Purchase Order and the Contracts for the supply of goods and/or the performance of services under their operational responsibility, including ensuring that vendors and contractors perform in accordance with the terms, conditions, and requirements of the Purchase Orders and the Contracts.

The operating units must provide information to the Procurement Office on the performance of Vendors and their satisfaction or dissatisfaction with vendor activities for use in future procurement decisions. The Procurement Office shall utilize such information as well as its monitoring results to evaluate and document contractor performance and determine inclusion in the Vendor Registry.

J. Changes to Purchase Orders and Contracts

A permissible contractual change is any addition, subtraction, or modification of work, costs, or time that is permitted under the applicable contractual terms and within the original scope of an awarded Purchase Order or Contract. If an amount greater than the Purchase Order amount or the maximum amount of the Contract is necessary to complete the work or complete the procurement, a Purchase Order change or Contract amendment must be made in advance of approving additional work or acceptance of additional or different goods, equipment and/or services. Any requested change to a Purchase Order or a Contract must be approved using the same Levels of Authority set forth under Section E of the Procedures, based on a reasonable and good faith estimate of the cost of the proposed change.

If a change is necessary, the Requisitioner Fiscal Unit shall provide the Procurement Office with a detailed written explanation that covers: (a) the reasons why the original award, scope of work, or amount, including any contingency reserve, was insufficient; (b) the work remaining to be completed or the additional or different goods or services required; (c) the additional funds required based on the estimated cost of the proposed change; and (d) any impact in the schedule of deliveries or services.

The Procurement Office shall make a determination as to whether the proposed change is within the scope of the original Purchase Order or Contract or within the scope of the prior competitive award of the Purchase Order or Contract. In general, although it depends on the facts of each procurement, a Purchase Order change or a Contract modification that requires an increase in the amount of the Purchase Order or Contract does not require a new procurement if all of the following conditions are met: (a) there is sufficient budget to cover the increase; (b) the change in cost or price is fair and reasonable, is for 10% or less from the original Purchase Order amount or maximum amount of the Contract; (c) the amount of the change does not change the level of the authorization limits of the original purchase transaction, and (d) the change is within the general scope of the original Purchase Order or Contract.

If the Procurement Office determines that the proposed change is beyond the general scope of the original Purchase Order or Contract and, thus, a cardinal change, then the University must conduct a new procurement for that work using the methods authorized under these Procedures.

K. Sealed Bids and Competitive Proposals.

All purchases above the Simplified Acquisition Threshold (currently set at \$250,000) must follow either the Sealed Bid or Competitive Proposals procurement method. The requirements in this Section L apply to both procurement methods.

1. *Procurement Evaluation Committee. The Procurement Evaluation*

Committee will evaluate all bids or proposals received in response to a Procurement

Request exceeding the Simplified Acquisition Threshold and make an award recommendation to the President.

The Committee shall be composed by the Chief Financial Officer and another member designated by the President, who is not the University officer responsible for the Purchase Requisition in question. If the Chief Financial Officer is responsible for the Purchase Requisition that prompted the Procurement Request, the President shall designate another University officer to serve instead.

The Evaluation Committee members must adhere to the following principles of conduct:

- a. Always conduct themselves in an ethical manner.
- b. Be objective, impartial, unbiased, and fair in all aspects of the evaluation process.
- c. Immediately notify the General Counsel of any real or perceived conflict of interest of any party involved in the procurement process, particularly with offerors and their proposed subcontractors. The General Counsel shall immediately inform the Internal Auditor for investigation in accordance with established procedures.
- d. Have no direct or indirect personal financial interest in any offeror or proposed subcontractor thereof.
- e. Refrain from acting in any way that might be reasonably expected to create an impression among Offerors or the public that their judgment is biased, including but not limited to, any inappropriate contact with any Offeror or subcontractor.
- f. Report any serious concerns about the procurement process to the General Counsel.

2. *Procurement Specifications.* The Requisitioner Fiscal Units must outline and submit to the Procurement Office the detailed specifications, performance standards and/or scope of work of the goods or services needed. These items should be nonrestrictive in nature to allow for sufficient competition. Specifications must be developed that afford all Offerors a fair and reasonable opportunity for competition and enable them to either bid or submit a proposal in response to specific criteria. Specifications must be clear, concise, and unambiguous to ensure the receipt of responsive bids and/or proposals. In general, specifications should:

- a. Provide a clear explanation of the purpose of the proposed contract.
- b. For purchase of goods, set forth clearly and precisely the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, minimum performance requirements, and warranty and maintenance requirements, as well as other pertinent terms and conditions.
- c. In the case of services, the specifications could include scope of work to be carried out, products to be received, if any, expected timing and due dates, required deliverables, communication requirements, as well as other pertinent terms and conditions.

- d. Specifications shall be based on relevant characteristics and/or performance requirements. References to brand names, catalog numbers, or similar classifications should be avoided. If it is necessary to quote a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specification, the words “or equal” must be added after each such reference.
- e. Specifications for the purchase of goods shall provide for full payment upon delivery and acceptance of the goods by the University.
- f. Specifications for services shall provide for payment upon completion of services or upon receipt and acceptance of specified deliverables as described in the specifications.
- g. If a purchase is structured to permit more than a one-year extension, the specifications must include a statement concerning the maximum number of contract extensions that shall be permitted. If the University contracts for a specified project or product, the term shall be for the length of time necessary for the completion or delivery of the project or product. In the case of construction, reconstruction or rehabilitation of a building or facility the term shall be for the length of time necessary for the completion of construction.
- h. For Competitive Proposals (not Sealed Bidding) relating to goods, equipment and/or services, specify the evaluation factors with their relative weight in the decision process, including price, that shall be considered in the review of responses. If specifications include present and past performance, relevant experience, alternative designs, materials, completion schedules, or payment terms, then the conditions for the acceptability and/or the method of their evaluation must be expressly stated.

3. Public Notices. All procurements above the Simplified Acquisition Threshold require public advertising of the solicitation using either an Invitation for Bids (Sealed Bids) or a Request for Proposals (Competitive Proposals). In certain cases, the publication of a prior Request for Qualifications may be advisable as part of the procurement process.

In addition to the public advertising of Invitations to Bid or Requests for Proposal in purchases over the Simplified Acquisition Threshold, the Procurement Office shall solicit bids or proposals from an adequate number of those Vendors whom the Procurement Office determines shall stimulate competitive bidding and have proven they meet high standards of quality, service, and delivery. Determining an adequate number of sources will depend upon the facts and circumstances of each procurement.

- a. Based on the specifications that the Requisitioner Fiscal Unit provides, and in collaboration with the Procurement Office, an Invitation for Bids (IFB), or Request for Proposal (RFP) should be developed to solicit qualifications, bids, or proposals from suppliers.

- b. IFBs and RFPs will be *announced publicly* in any means of wide media distribution such as websites, emails, newspapers or social media, among others, *for a period of at least two (2) calendar days*. The announcement will provide a link for potential bidders to access all solicitation documents and include the instructions to follow for submitting bids or proposals.
- c. The public advertisement or notice for IFBs or RFPs must provide sufficient time for Bidders and Offerors to respond before the applicable due date.
- d. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors or vendors that develop or draft bid or proposal specifications, requirements, statements of work, or Invitations for Bids or Requests for Proposals must be excluded from competing for such procurements.

4. Bid or Proposal Meetings. If deemed necessary, mandatory bid or proposal meetings or pre-bid or proposal conferences may be held. During this meeting, the appropriate personnel from the Procurement Office and the Requisitioner Fiscal Unit shall participate, with the purpose of presenting the details of the notice for IFB or RFP and clarifying any doubts that the Offerors may have. The following matters should be considered with respect to bid or proposal meetings:

- a. The IFB or RFP must specify the date, time and place of the bid meeting or pre-proposal conference if it is determined that one shall take place.
- b. Clearly state when responses are due and how they shall be submitted.
- c. Indicate the period when bids or proposals shall remain irrevocable.
- d. Only bids or proposals from Bidders or Offerors who have participated in all mandatory meetings or pre-proposal conferences shall be considered. As an exception, the Procurement Office may provide a waiver to those Bidders or Offerors who cannot attend because of their geographical location or because of other justifiable reasons.
- e. The meeting or pre-proposal conference shall discuss all the elements necessary for potential Bidders or Offerors to submit their bids/proposals including, without limitation, the following:
 - 1) The required contents of the bid or proposal.
 - 2) The scope, technical data and specifications of the project including materials, colors, or specific marks, among others.
 - 3) Contractual terms and conditions (e.g., penalties, guarantees, and start and end of the project, among others.).
 - 4) Required documents to be submitted to the University, such as insurance certificates, workmen's compensation insurance policy, bid bonds, payment bonds and/or performance bonds, WH 347 form or any amendment thereto related to the wages and hour division (WHD) of the U.S. Department of Labor, as applicable.

- 5) The University's policies regarding ethical conduct and conflicts of interest.
 - 6) If deemed necessary and with prior coordination, an opportunity for Offerors to visit and inspect the place where the project shall be developed together with the University's authorized representative.
 - 7) The deadline for written questions. All responses shall be share to all Offerors who are participating in the competitive bidding process.
 - 8) Any other information considered pertinent.
- f. The Procurement Officer shall prepare meeting minutes documenting relevant matters discussed at the bid or proposal meeting or pre-bid or pre-proposal conference.
 - g. The attendees shall sign and date an attendance record.
 - h. Each potential Bidder or Offeror will be able to access the same information, terms, and conditions. The Procurement Office only considers valid submissions from Bidders or Offerors that meet the solicitation requirements and are sent to the Procurement Office by the specified deadline.
 - i. An open and competitive procurement environment requires that "source selection" information related to the bidding process be kept confidential.

5. **Price or Cost Analysis.** To determine that pricing is fair and reasonable, the University must perform a price or cost analysis in connection with every procurement in excess of the Simplified Acquisition Threshold. Before receiving bids or proposals, the Requisitioner Fiscal Unit together with the assistance of the Procurement Office, must develop an independent cost or price estimate.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation but as discussed above, the University must prepare independent estimates before receiving bids or proposals for procurements with a value in excess of the Simplified Acquisition Threshold. The following information is required for conducting a price or cost analysis:

- a. **Price Analysis.** A price analysis is the examination and evaluation of the total amount of a proposed price without evaluating its separate cost elements and proposed profit. Price analysis includes comparison of proposed prices in response to the solicitation and typically establishes fair and reasonable pricing if there is adequate price competition, meaning that two or more responsible bidders or offerors, competing independently, submit priced offers that satisfy the University's requirements. Price analysis techniques also may include comparing prior proposed prices and contract prices with current proposed prices for the same or similar goods or services; comparing proposed prices with independently developed estimates created by the University and comparing proposed prices with prices of the same or similar items obtained through market research.

- b. **Cost Analysis.** If there is not adequate price competition or if the contract will be awarded on a cost-reimbursement basis, perform a cost analysis. This is a review and comparison of each bid or proposal separate cost elements or line items, to verify the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits. The applicable cost principles set forth in 2 C.F.R. Subpart E must be considered to evaluate the pricing of fixed-price contracts where costs are used in determining the appropriate price and to verify compliance with those principles for cost-reimbursable contracts.
- c. Negotiate fair and reasonable profit as a separate element of the Contract for which there was no price competition and, in all cases where cost analysis is performed, considering the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of the contractor's past performance, and industry profit rates in the surrounding area for similar work.

6. Responsibility Determination. Prior to any award, the Procurement Office must make a written determination that the prospective awardee is responsible, in accordance with Paragraph E.6 of the Procurement Policy. This determination also must confirm that the prospective awardee is not suspended or debarred from participating in federal contracting or federally funded programs, in accordance with Paragraph L of the Procurement Policy.

7. Procurement Office Responsibility. The Procurement Office is the only University department with the authority to issue a Purchase Order or Contract to a duly selected responsible Bidder or Offeror. Only authorized University Officers have the authority to enter and sign Contracts that have been previously approved by the Procurement Office and the General Counsel after the procurement process has been duly completed in accordance with the Procurement Policy and these Procedures.

8. Rejection of Bid or Proposal. The Evaluation Committee or the President may reject any bid or proposal if there is a sound and documented reason. Those circumstances could include, without limitation:

- a. the failure to conform to essential requirements, applicable specifications, or the delivery schedule,
- b. the inclusion of conditions that would modify the requirements, or
- c. the determination that the bid prices are unreasonable.

9. Cancellation of the Procurement. If the cancellation of a procurement becomes necessary after bid opening or receipt of proposals, the Procurement Evaluation Committee shall issue a written statement to the President or his designated official stating the reasons for the cancellation and the recommendations for a new Procurement Request. The President must approve the cancellation. It is the Procurement Office's responsibility to notify Offerors in writing about the cancellation of the procurement if approved by the President.

L. Sealed Bidding

Sealed bidding is a method of procurement which results in the award of a firm-fixed price contract to a responsive bid with the lowest evaluated price from a Responsible Bidder based on the specifications set forth in the solicitation.

1. *Applicability of Sealed Bidding.* Sealed Bidding is the preferred method for procuring construction contracts, as well as other contracts for which the price is likely to be greater than \$250,000 when:

- a. A complete, adequate, and realistic specification is available.
- b. There are two or more responsible Offerors available.
- c. The procurement lends itself to contract awards based solely on price.

2. *Procedures applicable to Sealed Bidding.* The following procedures shall be followed for all sealed bids:

- a. An advertisement or notice for Invitation for Bids (IFB) shall include or refer to a separate document that contains the specifications and attachments that define the items or services required in enough detail to allow Bidders to properly respond.
- b. The advertisement or notice for the IFB shall be publicly advertised in any means of wide media distribution such as websites, emails, newspapers, or social media, among others, for at least two calendar days.
- c. The IFB should provide that Bidders must submit their bids electronically or in a sealed envelope at the date, place and time established in the advertisement or notice for invitation for bids or in a separate document referenced in the advertisement or notice for invitation for bids.
- d. Electronic bids or sealed envelopes shall be received by the Procurement Office. The sealed envelopes shall indicate the time and date they were delivered. Offers delivered outside the date and time indicated in the invitation shall not be accepted.
- e. Bids should be solicited from an adequate number of qualified sources. Determining an adequate number of sources may depend on the facts and circumstances of the procurement.
- f. All bids may be rejected if there is a “sound documented reason.” The Procurement Office must obtain the General Counsel’s written approval to reject any or all bids.
- g. A firm fixed-price contract should be awarded in writing to the lowest-priced Responsive Bid submitted by a Responsible Offeror. If specified in the bidding documents, factors such as discounts, transportation costs, and life cycle costs may be considered in determining which bid is lowest. For construction projects, the University should include, when feasible, value engineering clauses in contracts.

- h. Sealed bids must be signed in indelible ink by the supplier or an authorized representative or by other means authorized under applicable law to legally bind the Bidder to its bid.
- i. Only a single bid per Bidder shall be accepted. A Bidder shall not be allowed to submit multiple bids, either in its own name or through one of its subsidiaries, branches, or affiliates.
- j. Bids with estimated or non-binding prices shall not be accepted.
- k. While their offers are under consideration, Bidders, their representatives, and other parties shall refrain from communicating by any means with the University staff on bid-related issues.

3. *Opening of Bids.* Electronic bids and bids received in sealed envelopes are to be opened before the Procurement Evaluation Committee, and the University officer responsible for the Requisitioner Fiscal Unit. The procedures for bid opening shall include the following:

- a. A Procurement Officer in the presence of the Procurement Evaluation Committee should open the bids.
- b. A Procurement Officer shall use a checklist to note the presence of required bid items, absence of required bid items and any attachments.
- c. The Procurement Evaluation Committee shall record bid results on a bid tabulation form.
- d. The Procurement Evaluation Committee shall be permitted to ask questions concerning the bids.
- e. The Procurement Officer shall announce that the bid opening is complete.
- f. The Procurement Evaluation Committee shall document in writing the persons present during the opening, the time and date of the opening and the names of Bidders.

4. *Mistakes in Bids.* Technicalities or minor mistakes in bids may be waived if the Procurement Office, with the advice and concurrence of the Requisitioner Fiscal Unit, determines that it shall be in the University's best interest to do so. The Procurement Office or if delegated to the Requisitioner Fiscal Unit, may either give a Bidder an opportunity to resolve any deficiency resulting from a technicality or minor irregularity in its bid or waive the deficiency if it is to the University's advantage to do so. Either case should be documented.

- a. A Bidder may correct mistakes discovered before the time and date set for bid opening by withdrawal or correcting the bid if such correction is performed prior to the due date and time.
- b. If the Procurement Officer, with assistance from the Requisitioner Fiscal Unit, has reason to conclude that a mistake in bid has been made, the Bidder may be

requested to confirm the bid in writing. Situations in which confirmation should be requested include obvious, apparent errors on the face of the bid or a bid price unreasonably lower than the other submitted bids.

- c. If the Bidder alleges mistake, the bid may be corrected or withdrawn upon the written approval of the Procurement Office as follows:
 - 1) If a clerical mistake and the intended correction are evident on the face of the bid document, the bid shall be corrected to the intended correct bid and may not be withdrawn.
 - 2) A Bidder may be permitted to withdraw a low bid, at the discretion of the Procurement Office, only if:
 - a) a mistake is evident in the bid document; or
 - b) the Bidder submits proof of evidentiary value that clearly and convincingly demonstrates a mistake was made.
- d. If a bid contains an error or omission because of an error in judgment or negligence in reading the plans and specifications, then the Procurement Officer is not obligated to allow the Bidder to withdraw the bid.
- e. Mistakes may not be corrected after award of the Contract, except when the Procurement Office, with assistance from the Requisitioner Fiscal Unit, determines that it would be unreasonable not to allow the mistake to be corrected. Corrections shall be submitted to and approved in writing by the head of the Procurement Office and the University officer responsible for the Requisitioner Fiscal Unit.
- f. Changes in price are not permitted. The unit price shall govern in the event of any discrepancies between a Bidder's unit price and either the sum total of the bid or the sum of the extended unit price by line item.
- g. When a bid is corrected or withdrawn, or correction or withdrawal is denied, the Procurement Office shall prepare a written determination showing that the relief was granted or denied in accordance with these Procurement Procedures.

5. *Evaluation of Bids.* Bids must be responsive to and comply with the IFB. Bids shall not be evaluated on criteria other than the price-related factors set forth in the Invitation to Bid and all pricing must be determined to be fair and reasonable on the basis of price analysis. Responses conditioned upon the award of another Contract are not acceptable.

M. Competitive Proposals

- 1. *Applicability of Competitive Proposals Method.*** Procurement using Competitive Proposals is appropriate for purchases greater than the Simplified Acquisition Threshold when conditions are not appropriate for the use of Sealed Bids such as, for example, when a complete, adequate, and realistic specification or

purchase description is not available, when the procurement does not lend itself to a fixed price contract, or when the selection of the successful bidder cannot be made principally on the basis of price.

The Procurement Office and the Requisitioner Fiscal Unit may decide to use the Competitive Proposals procurement method for certain Small Purchases in which this method may be the most conducive to the accomplish the University's best interests.

2. *Public Notice and Solicitation of Proposals.* If the Competitive Proposals procurement method is used, the following requirements must be met:

- a. Requests for Proposals (RFPs) must be publicized, identify objective and impartial evaluation criteria for making award, including price and non-price factors, and their relative importance.
- b. Proposals must be solicited from an adequate number of qualified offerors. and
- c. Any response to publicized requests for proposals must be considered to the maximum extent practical.

3. *Review of Proposals and Offerors.* Upon receipt of the proposals, the Procurement Office, with the assistance of the Requisitioner Fiscal Unit, must verify that:

- a. The proposals are responsive to the Request for Proposals so that they meet the RFP specifications for the goods or services being procured, as well as the University's contractual terms and conditions, including completeness of the proposals and related required forms, inclusion of references and attachments, and completion of required responses.
- b. The proposed pricing is fair and reasonable in accordance with price or cost analysis, as applicable.

4. *Factors for Consideration in Proposal Review.* The evaluation factors that may be considered must be stated in the RFP and may include the following:

- a. Price(s)
- b. Quality
- c. Technological compatibility
- d. Warranty
- e. Brand or company expertise and experience
- f. Ability to deliver required products and services
- g. Payment terms
- h. Institutional policies for equipment standardization
- i. Financial capacity to meet contractual obligations
- j. Integrity
- k. Record of past performance

- l. Financial and technical resources
- m. Access to other necessary resources
- n. Prompt submittal of data, response to inquiries
- o. Value-added services
- p. Special service rendered, or
- q. Other intangibles and relevant factors.

6. Review by the Procurement Evaluation Committee. The Procurement Evaluation Committee shall have the responsibility of evaluating all proposals received in accordance with the terms and conditions of the RFP, ascertaining that the procurement process was carried out according to the Procurement Policy and Procedures, ensuring that any proposed awardee is a Responsible Offeror, and making Recommendations to Award to the President. The Contract must be awarded to the Responsible Offeror whose proposal is most advantageous to the University, in terms of price, quality, and other relevant factors considered.

Recommendation to Award. Upon conclusion of the evaluation process, the Procurement Evaluation Committee shall provide the President with a written Recommendation to Award (RTA) signed by all the members of the committee that participated in the procurement selection process.

N. Bonding Requirements

1. Mandatory Bonding Requirements. Procurement for construction that exceeds the Simplified Acquisition Threshold will be subject to mandatory bonding as provided in this section to protect the interests of the University and the sponsoring or funding entities. The following minimum bonding requirements have been established for construction or facility improvement contracts and subcontracts greater than \$250,000:

- a. A bid guarantee of 5% of the bid price.
- b. A performance bond in the amount of 100% of the contract price.
- c. A payment bond in the amount of 100% of the contract price.
- d. The bonds should be from insurance companies with a financial strength rating from AM Best of B+ or better.

2. Optional Bonding Requirements. The Procurement Office, in consultation with the Requisitioner Fiscal Unit, may impose the same bonding requirements in Small Purchases for construction or facility improvement projects when such bonding is advisable, in view of the scope and cost of the project, to protect the interests of the University and any sponsoring or funding entity.

O. Contract Award under Sealed Bidding or Competitive Proposals

1. Approval by the President. Once the Procurement Evaluation Committee issues a Recommendation to Award to the President following a Sealed Bid or a Competitive

Proposals process, the Procurement Office must await the President's approval prior to proceeding to issue an approval letter to the selected Bidder or Offeror.

- 2. *Notice to Bidders or Offerors.*** Once approved by the President or his designee, the Procurement Office must send a written notice of award to the selected Bidder or Offeror in writing. The Procurement Office shall notify all Offerors by written communication of the results of the contract award.
- 3. *Request for Reconsideration.*** Any Bidder or Offeror who has participated in the Sealed Bid or Competitive Proposals procurement process and is not satisfied with the final decision may request reconsideration. The Bidder or Offeror must submit their arguments in writing to the Procurement Office within five (5) days from the date of receipt of the notice of the results. The Procurement Office and the Evaluation Committee, with the advice of the General Counsel, must submit to the President a written recommendation with respect to the request for reconsideration within seven (7) business days of receipt of the written request for reconsideration submitted by the Offeror.
- 4. *Penalties.*** Penalties may apply to any Bidder or Offeror who incurs in the following actions:
 - a. violation of federal and/or state laws,
 - b. breach of terms of the procurement process, including terms and conditions of the proposed award,
 - c. violation of university policies, norms, and procedures, or
 - d. any other act or omission detrimental to the best interests of the University.
- 5. *Recordkeeping.*** A complete and accurate copy of all documents received during the Sealed Bids and Competitive Proposals procurement processes shall remain in the files of the Procurement Office, including the following:
 - a. the Requisitioner Fiscal Unit's specifications,
 - b. all Bids and Proposals received,
 - c. all communications with Bidders or Offerors,
 - d. attendance sheets and minutes of the mandatory bid meeting(s) or pre-proposal conferences,
 - e. documentation explaining the rationale for selection considering the evaluation criteria established in the Procurement Request (if applicable),
 - f. the Recommendation to Award, and
 - g. any other documents relevant to the procurement process.

P. Single Response to Invitation to Bid or Request for Proposals

If a single response is received to an Invitation to Bid or a Request for Proposals, the Procurement Evaluation Committee, with the advice of the Procurement Office and Requisitioner Fiscal Unit, shall determine whether the bid or proposal submitted is responsive, from a Responsible Bidder or Offeror, and at fair and reasonable pricing based on price or cost analysis.

- 1. Acceptable Bid or Proposal.** If determined to be responsive, with fair and reasonable pricing, and from a Responsible Bidder or Offeror, the Procurement Evaluation Committee may issue a Recommendation to Award recommending that the procurement be awarded to the sole Bidder or Offeror pursuant to the Sole Source procurement authority, as set forth in Paragraph E.5 of the Procurement Policy.
- 2. Unacceptable Bid or Proposal.** If the bid or proposal is either not responsive or not from a Responsible Bidder or Offeror (or both), or if the pricing is not fair and reasonable, then the Procurement Evaluation Committee must notify the Procurement Office and the Requisitioner Fiscal Unit and declare the process null. When declared null, a new procurement process must be initiated.
- 3. Subsequent Procurement Process.** If a second round of procurement is followed, and once again a single offer is received and the single response is not responsive and/or from a Responsible Bidder or Offeror, the Procurement Evaluation Committee with the advice of the Procurement Office and the Requisitioner Fiscal Unit, shall determine whether the bid or proposal can be accepted or specific pricing, terms, and conditions can be negotiated with the Offeror to ascertain compliance with the terms of the proposed procurement and all applicable requirements.

Q. Questions about the Procedures

These Procedures are issued by the President of the University, with the advice of the General Counsel Office, and pursuant to the *Policy for Review and Approval of Policies and Procedures* available at <https://politiclas.sagrado.edu/>

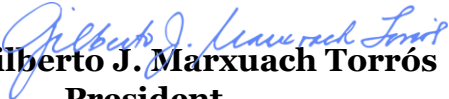
Questions regarding the scope and interpretation of this Policy should be directed to the Chief Financial Officer.

R. Reporting Violations

Violations to this Policy should be directed to the office of Compliance, Internal Audit, and Institutional Integrity. Any violations to this Policy will be addressed in accordance with the University's policies and procedures. Pursuant to 2 C.F.R. § 200.113, the University is required to disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.

S. Interpretation

Universidad del Sagrado Corazón reserves the right to interpret this Policy in its administration, implementation, and enforcement. If there is any ambiguity in any provision of this Policy, Sagrado reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to Sagrado's operations and good faith, unless otherwise provided by law.


Gilberto J. Marxuach Torrós
President

ATTACHMENT A

Contractual Provisions Required in Federally-Funded Contracts

Contracts awarded by the University using federal funding must include, as applicable, contract provisions described below:

1. Contracts for more than the Simplified Acquisition Threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
2. All contracts of more than \$10,000 must address termination for cause and for convenience by the University including the manner by which it will be affected and the basis for settlement.
3. Equal Employment Opportunity. Except as otherwise provided under 41 C.F.R. Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. Part 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 F.R. 12319, 12935, 3 C.F.R. Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts of more than \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the University of more than \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer based on a standard work week of 40 hours.

6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 C.F.R. §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended. Contracts of amounts more than \$150,000 must contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act.
8. Debarment and Suspension (Executive Orders 12549 and 12689). A contract award (see 2 C.F.R. 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. 180 that implement Executive Orders 12549 (3 C.F.R. part 1986 Comp., p. 189) and 12689 (3 C.F.R. Part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352). Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352.
10. Prohibition on Contracting for Covered Telecommunications Equipment or Services (Public Law 115-232, Section 889; 2 CFR 200.216). All contracts awarded by the University using federal funds shall include a clause providing that the contractor and its subcontractors may not (i) Procure or obtain (or enter into, extend, or renew a contract to procure or obtain) any equipment, system, or service that uses Covered Telecommunications Equipment or Services as a substantial or essential component of any system, or as critical technology of any system; or enter into a contract (or extend or renew a contract) with an entity that uses any equipment, system, or service that uses Covered Telecommunications Equipment or Services as a substantial or essential component of any system, or as critical technology as part of any system.

As defined in Public Law 115-232, Section 889; 2 CFR 200.216; and 48 CFR 52.204-25, “Covered Telecommunications Equipment or Services” means any of the following:

- a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
- b. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- c. Telecommunications or video surveillance services provided by such entities or using such equipment; or
- d. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

The clause shall provide that it does not apply to procuring with an entity to provide a service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or covered telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles. All subcontracts awarded under the contract must include a clause with this prohibition.

11. Domestic Preferences for Procurements (2 C.F.R. § 200.322). The University shall include a clause in all contracts and purchase orders using federal funds that establishes a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products), to the greatest extent practicable and consistent with applicable law. The requirements of that clause also must be included in any lower tier subcontracts. For purposes of this clause:
 - a. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States; and
 - b. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Contracts awarded by the University using federal funding also should include other terms and conditions that are necessary to comply with the terms and conditions of the Federal Award or that are recommended by the Federal Awarding Agency.