

Policy for the Procurement of Goods and Services

Effective 2022.05.01
Revised: 2026.02.18

Table of Contents:

A. Introduction.....2
B. Procurement Authority and Delegation.....2
C. Definitions3
D. Procurement Principles, Ethics, and Integrity.....3
E. Procurement Methods..... 6
F. Responsibility Determination10
G. Purchasing Forms.....10
H. Retention Requirements for Records 11
I. Vendor Diversity..... 12
J. Domestic Preferences for Procurements..... 13
K. Federal Awarding Agency or Pass-through Entity Review 13
L. Supplier Performance and Financial Monitoring and Reporting Oversight 14
M. Debarred or Suspended Suppliers and Contractors 14
N. Prohibited Telecommunications Equipment 15
O. Questions About this Policy 16
P. Reporting Violations 16
Glossary..... 17

A. Introduction

The procurement of goods and services at the Universidad del Sagrado Corazón ("University"), irrespective of the funding source, must be conducted in an open and competitive manner to ensure that proper value is received, and that prices paid are fair and reasonable.

All purchases of goods and services must be made in accordance with this *Policy for the Procurement of Goods and Services* ("Policy"). The *Procedure for the Procurement of Goods and Services* ("Procedure") contained in a separate document defines 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 this Policy and the Procedure.

This Policy is intended to ensure that the University's resources are used properly during procurement activities. Consistent adherence to the Policy and the Procedure provides reliability and assurance that procurement activities meet regulatory requirements and sound business practice for acquisitions, contracts, and third-party arrangements.

The University, in its normal business operations, receives grant funding from the federal government and as such, the University must comply with the federal regulations for purchases made with federal funds. To be eligible for reimbursement using federal funds, the costs incurred by the University must be reasonable, allocable to a federal award, and allowable under the terms and conditions of the federal award and applicable federal regulations. The Uniform Administrative Requirements (2 CFR Part 200) is a set of federal regulations (including procurement regulations) that apply to all entities that receive federal grant funding. The Uniform Administrative Requirements is found in the Code of Federal Regulations (CFR), which is a compilation of rules adopted by federal agencies. The Procurement Policy included in this document follows the Procurement Standards contained in 2 CFR 200.317 – 200.328, hence providing the structure to assure compliance independently of the funding source used to procure goods or services.

As a general matter, the University should follow the same policies and procedures when procuring goods and services under a federal award as it uses for procurements using non-federal funds. Hence, this Policy will apply to all procurement activities and efforts, irrespective of the source of funding, except for the acquisition of professional services and real property when such procurement is not using federal funding and not otherwise connected to a federal award.

B. Procurement Authority and Delegation

Authority for the procurement of goods and services lies with the Board of Trustees of the University in accordance with the University's By-laws. The Board of Trustees has delegated its procurement authority to the President as the University's chief executive officer, who has issued this Procurement Policy to guide the execution of all the University's procurement activities. The President has delegated authority to the University's Chief Financial Officer, acting through the Procurement Office, to ensure institutional compliance with this Policy and the Procurement Procedures and to support and collaborate with all operating units in carrying out their procurement activities in a timely and responsible manner so that institutional objectives can be accomplished.

C. Definitions

The Glossary of Terms provides the definitions of the terms most used in this Policy and the Procedure.

D. Procurement Principles, Ethics, and Integrity

Individuals involved in the purchase of goods and services shall conduct business in a manner that is consistent with the Mission of the University, and the University's policies and norms regarding ethical conduct and conflicts of interest. Purchasing activities shall be conducted in a professional manner and all qualified suppliers are to be provided with a fair and equitable opportunity to compete.

Procurement decisions will be made with integrity and objectivity, free from personal bias or benefit. Purchasing employees who participate in the selection or adjudication, approval, or supervision of purchases of goods and contracting of services will conduct themselves and ensure that all processes are conducted in an ethical and completely professional manner.

Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. It may be appropriate to divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, women-owned business enterprises, and labor surplus area firms. However, splitting a transaction into smaller dollar amounts, delaying, staggering purchases, and using multiple staff members to purchase the same or related items to benefit from reduced administrative burdens associated with lower purchase limits is strictly prohibited.

1. Promotion of Competition

All procurement transactions must be conducted in a manner that promotes and does not unduly restrict competition. Examples of unduly restricting competition include, but are not limited to:

- a. placing unreasonable requirements on contractors to qualify to do business,
- b. requiring unnecessary experience or bonding (refer to the bonding limits identified in 2 CFR Part 200 Uniform Administrative Requirements [§200.325]),
- c. permitting noncompetitive pricing practices between firms or between affiliated companies,
- d. awarding noncompetitive contracts to consultants on “retainer” contracts,
- e. permitting organizational conflicts of interest in contract awards or administration,
- f. specifying a brand name product without allowing an equal product to be offered and describing the performance requirements that must be met for a product to qualify as an “equal or equivalent,”
- g. acting arbitrarily in awarding contracts; in other words, be consistent, fair, and transparent, or
- h. awarding based on statutorily or administratively imposed local geographic preferences.

2. Buyer Responsibilities in Procurement Activities

The Procurement Office and employees in operating units often maintain regular contact with vendors seeking to initiate or expand business relations with the University. The professional and ethical way these contacts are managed reflects positively on the University. Employees who meet with vendor representatives must always conduct themselves in a way that reflects the University's principles and values. The attributes listed below are essential for all employees to be aware of their engagement with vendors:

- a. Fairness. The University's reputation for dealing in a fair manner must always be upheld and promoted by treatment of all vendors equally in a competitive environment. Without compromising the University's interests, it must work with the vendor community cooperatively for institutional needs to be met in the most efficient and effective manner.
- b. Integrity. Employees must always maintain their integrity and that of the University by observing strict truthfulness in every transaction, respecting the confidentiality of each procurement transaction, and refraining from any personal obligation to a vendor.
- c. Courtesy. The University's business cannot be conducted in a satisfactory manner unless all relationships, regardless of personal feelings, are maintained in a courteous and professional manner. This statement does not suggest that any employee should be less than firm in representing the University's interest. There can be no excuse for discourtesy even in the most difficult vendor relationships.

3. Ethical Conduct

While purchasing is perceived to be a structured process, the decisions often require personal judgment and experience gained through personal contacts and relations. Care must be taken to avoid the intent or appearance of unethical practice in relationships, actions, and communications. All procurement activities conducted on behalf of the University must comply with the standards outlined in federal, state, and local laws, and the University's policies and norms regarding ethical conduct and conflicts of interest available at: https://mi.sagrado.edu/ICS/Docs_Institucionales/. It is the responsibility of all employees to ensure that the University does not knowingly enter any purchase commitment that could result in a conflict of interest. Questions regarding potential conflicts of interest should be addressed to the Procurement Office or the General Counsel.

4. Conflict of Interest

It is the responsibility of the Procurement Office to monitor any potential conflict of interest in the procurement process to ensure equitable and fair competition. The University is particularly diligent before entering into purchasing contracts with its employees, their family members or any other individual who would be perceived as having a potential conflict of interest.

- a. All University employees must adhere to the University's policies and norms regarding ethical conduct and conflicts of interest, available at: https://mi.sagrado.edu/ICS/Docs_Institucionales/.

b. The employees of the Procurement Office and the members of the Procurement Evaluation Committee must certify in writing that they have read the University's policies and norms regarding ethical conduct and conflicts of interest and will provide notice to the Procurement Office and the General Counsel in the event of a real or potential conflict of interest for adjudication.

c. All businesses or individuals doing business with the University must disclose any real or potential conflict of interest to the Procurement Office for adjudication. Contracts and purchase orders include the right for the University to unilaterally terminate any purchase order or contract in the event of a conflict of interest.

5. Gratuities from Suppliers

University employees should neither solicit nor accept money, loans, credits, entertainment, favors, services, or gifts from current or prospective suppliers. Such gratuities, even if of seemingly low value, can give rise to an illegal kickback or conflict of interest or the appearance of an illegal kickback or conflict of interest. University employees should never accept gratuities from a current or prospective supplier such as, for example, a supplier that has submitted a bid or may submit a bid for a contract with the University where a bid solicitation is under way or being contemplated or developed. If it is deemed necessary to visit a supplier site for a demonstration, the University shall pay all related expenses. Any employee found to be in violation of this policy shall be subject to disciplinary measures, including immediate dismissal.

6. Confidentiality

An open and competitive purchasing environment requires that information pertinent to the bidding process be kept confidential until the conclusion of the process. University employees must handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations. University employees may not disclose to outside parties the prices, terms, or conditions quoted by other suppliers.

7. Acquisition of Unnecessary or Duplicative Items

The Procedures will seek to ensure the responsible use of the University's resources by avoiding the acquisition of unnecessary or duplicative items.

8. Economy and Efficiency

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services, the University will to the extent possible enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.

The University will, to the extent possible, use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. The University will consider lease versus purchase alternatives and other appropriate analyses, including "make or buy" analyses, to determine the most economical approach. The University

will also, to the extent possible, use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

E. Procurement Methods

It is generally good practice to price transactions and collect quotes from a variety of sources before selecting one, using appropriate market research techniques. The lowest price may not always be the best value. The Procurement Office and Requisitioner Fiscal Units should consider the total cost of the procured goods or services, which includes the purchase price, transportation, handling, inspection, quality, rework, maintenance, disposal, sales and use tax, construction excise taxes and other associated costs.

The University must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (currently \$350,000), including contract modifications. The method and degree of analysis is dependent on the particular procurement situation but should include a pre-procurement independent cost estimate. Cost or pricing data may be required when appropriate. Profit must be separately negotiated if there is no price competition or if cost analysis is performed. The determination of a fair and reasonable profit should consider the complexity of the work to be performed, the risk to the contractor, the contractor’s investment, the amount of subcontracting, the contractor’s record of past performance, and industry profit rates for similar work.

The University should purchase from responsible sources possessing the ability to perform successfully under the terms and conditions with consideration given to matters such as supplier integrity, compliance with public policy, record of past performance, and financial and technical resources. The solicitation of quotes, bid or proposals must be performed as indicated on Table 1: Procurement Methods and Thresholds, determined by the estimated dollar value of the total purchase cost of the goods or services as follows.

Table 1: Procurement Methods and Thresholds

Method	Acquisition Thresholds	Requirement	Comments
1. Micro-Purchase	Less than \$15,000	May be awarded without soliciting or obtaining quotations if the price is “fair and reasonable” based on research, experience, purchase history, or other information gathered. Obtain written quote or proposal from at least one (1) Prequalified Vendor or other qualified source.	Distribute MPT purchases equitably among qualified suppliers to the maximum extent practicable.

2. Small Purchase	>\$15,000 up to \$350,000	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 such as special rules applicable to the particular procurement.	Most common method. No cost or price analysis necessary.
3. Sealed Bid	in excess of \$350,000	Public advertising of Invitation for Bids. Firm-fixed pricing (lump sum or unit price). Basis of Award: Price. Require price analysis for certain types of awards.	Primarily for construction projects. Procurement Evaluation Committee involved.
4. Competitive Proposals	in excess of \$350,000	Public advertising of RFP. Firm-fixed pricing or Cost Reimbursement. Basis of Award: Best Value Requires price or cost analysis.	Primarily for professional services. Procurement Evaluation Committee involved.
5. Sole Source	Any dollar amount (if applicable)	No competition required. Must comply with this Procurement Policy.	Use only as necessary.

1. Micro Purchases

Micro Purchases are purchases of goods or services that, in the aggregate, are less than \$15,000. Purchases less than \$15,000 follow a simplified procurement process, permitting award without soliciting competitive price or rate quotations if the University documents its determination that the price to be fair and reasonable using comparable prices, such as market research, experience, purchase history or other information.

2. Small Purchases

Small Purchases are purchases of goods and services equal to \$15,000 up to \$350,000. It is the policy of the University to obtain competitive quotes, bids, or proposals where possible on all

products and services used by the University equal or greater than \$15,000. Competitive bidding is the process that allows the University to properly survey the marketplace and secure goods and services at fair and reasonable prices. It helps ensure that the University receives goods and services of the best value while also complying with federal, state, local and University requirements.

Competitive bidding represents solicitation of prices for goods or services from adequate number of qualified vendors to obtain competitive quotes, bids, or proposals. The Procurement Office should document the total estimated cost of the procurement that was the basis for using Small Purchase procedures. All bids and quotes received shall be evaluated by the Requisitioner Fiscal Units and the Procurement Office. All awards shall be given to responsible sources that meet the requirements and serve the best interests of the University. Any or all bids may be rejected when it is in the University's best interest to do so.

3. Sealed Bids

Procurement using sealed bids is appropriate for purchases greater than the Simplified Acquisition Threshold when a complete, adequate, and realistic specification or purchase description is available, two or more responsible bidders are willing and able to compete effectively for the business, the procurement lends itself to a fixed price contract, and the selection of the successful bidder can be made principally on the basis of price.

If sealed bidding is used:

- a. the Procurement Office shall post a bid notice in any means of wide media distribution such as websites, emails, or social media, among others or in such other form authorized by applicable law or regulation, bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date for the opening of bids,
- b. the request or invitation for bids must include any specifications and pertinent attachments,
- c. bids must be opened at the time and place prescribed in the Invitation for Bid, in accordance with the Procurement Procedures,
- d. a firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder, and
- e. any and all bids may be rejected if there is a sound documented reason, such as a price that is not considered fair and reasonable.

4. Competitive Proposals

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, the procurement does not lend itself to a fixed price contract, or the selection of the successful bidder cannot be made principally on the basis of price. If Competitive Proposals are used:

- a. requests for Proposals must be publicized and identify all evaluation factors and their relative importance,
- b. proposals must be solicited from an adequate number of qualified offerors,
- c. any response to publicized requests for proposals must be considered to the maximum extent practical,
- d. technical evaluations of the proposals received, and selection decisions shall follow the procedures set forth in the Procurement Procedures,
- e. contracts must be awarded to the Responsible Offeror whose proposal is most advantageous to the University, with price and other factors considered, and
- f. contracts can be awarded on a fixed-price or cost-reimbursement basis.

Time and materials contracts may be used only if a determination is made that no other contract type is suitable and if the contract includes a ceiling price. Cost plus percentage of cost and percentage of construction cost methods of contracting must not be used. For any Procurement Request in excess of the Simplified Acquisition Threshold, the Procurement Evaluation Committee is responsible for evaluating the bids or offerors received, ensuring that the procurement process was carried out according to this Policy and the Procurement Procedures, and making a Recommendation to Award to the President.

The University may use Competitive Proposal procedures for a qualification-based procurement of architectural and engineering (“A/E”) professional services whereby offeror’s qualifications are evaluated, and the most qualified and responsible offeror is selected for award, subject to negotiation of fair and reasonable pricing. If using federal funding, this method, where price is not used as a selection factor, can be used only in procurement of A/E professional services. When contracting for A/E services, the University also may identify geographic location as a selection criterion, provided that competition among an adequate number of qualified sources can still be achieved given the nature and size of the project.

5. Sole Source

Sole source is used on very limited occasions. It is a noncompetitive procurement and may be approved only when one of the following circumstances apply:

- a. The item is available only from a single responsible source, as determined after a proper evaluation by the Procurement Office.
- b. There are not enough sources for adequate competition, as determined after attempting a competitive procurement.
- c. There is a Public Exigency or Emergency or an Institutional Emergency that requires immediate action or will not permit any delay resulting from publicizing a competitive solicitation. Because the exception to competitive procurement is available only while the exigent or emergency circumstances exist, the University should reasonably limit the scope or period of the award and, depending on the value of the procurement, continue with the process of competitively procuring similar goods and

services to transition to the competitively procured contracts as soon as practicable after the actual exigent or emergency circumstances cease to exist.

d. The grant document or the federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a University request.

The University must adequately document in writing the procurement history and justification for the Sole Source award considering the applicable requirements for maximizing competition. In the case of a Public Exigency or Emergency or an Institutional Emergency, the justification also should explain the nature of the exigency or emergency, how it prevented the use of competitive procedures, and how the procurement was made solely in response to such exigency or emergency. Sole Source awards must still comply with the other provisions of this Policy.

F. Responsibility Determination

Regardless of procurement method, the University must award contracts, including but not limited to purchase orders, only to a prospective contractor that qualifies as “responsible” by demonstrating that it has the ability to perform successfully under the terms and conditions of a proposed procurement (referred to as a Responsible Offeror or Responsible Bidder) and that it is not currently suspended or debarred from the award of such contracts. The responsibility determination is separate from the proposal evaluation. In making a contractor responsibility determination, the University must consider such matters as the proposed contractor’s integrity, compliance with public policy, experience and record of past performance, and access to sufficient financial, technical, and personnel resources necessary to successfully perform the work. Prior to award, the University must document its determination that a prospective contractor qualifies as responsible and the basis for this determination.

G. Purchasing Forms

Purchases made by the University can be made with the use of purchase orders, corporate credit cards and disbursement vouchers. Because purchase orders offer the University the best legal and financial protections, they are the preferred method for ordering goods and services.

1. Purchase Orders

A Purchase Order is used to acquire from suppliers’ goods and services. It is a contractual document that, once sent and accepted by a vendor, binds performance of both parties to the transaction and serves as a means of maintaining accounting and expenses information and file records.

All Purchase Orders shall be prepared on the basis of a duly approved Purchase Requisition. The Purchase Requisition must contain all the information necessary to generate the purchase order. Purchase Orders must be used in all purchases in excess of \$2,000, except (a) in those procurements where a Contract is to be executed instead of a Purchase Order; (b) in purchases below \$2,000 that may use a Purchase Order, a Disbursement Voucher, or a Credit Card; or (c) for official reimbursable expenditures below \$10,000 (for example, travel and conference registrations).

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).

a. Standard Purchase Orders. Standard Purchase Orders are used to procure goods or services from a single vendor on a single occurrence basis. In general, payment is made to the vendor upon receipt and acceptance of the goods or performance of the service in accordance with the terms and conditions of the Purchase Order.

b. Blanket Purchase Orders. Blanket Purchase Orders are used to award indefinite delivery and indefinite quantity contracts to make multiple orders from a single qualified and responsible contractor. These orders may be established for defined periods of time or the term of the government grant that provides the funding for the purchases. A Blanket Purchase Order must establish firm-fixed pricing for its term and must be awarded in accordance with the procurement method applicable to the anticipated value of the Blanket Purchase Order over its term and otherwise comply with the requirements in this Policy and the Procedures.

2. Disbursement Vouchers

A Disbursement Voucher may be used for Micro-Purchases below \$2,000 provided that all procurement requirements for Micro-Purchases are met.

3. Corporate Credit Cards

Corporate credit cards may be used (a) for Micro-Purchases below \$2,000 provided that all procurement requirements for Micro-Purchases are met; and (b) for official reimbursable expenditures below \$10,000 (for example, travel and conference registrations).

4. Contracts

Contracts are required for the procurement of any other goods and services, including recurring or long-term purchases of goods and services. The Procurement Office will work with the Requisitioner Fiscal Units and the General Counsel on the contracts for goods or services. In accordance with 2 CFR 200.326 all contracts using any federal funds must contain the applicable provisions described in Appendix II to 2 CFR Part 200 (Contract Provisions for non-Federal Entity Contracts Under Federal Awards).

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

H. Retention Requirements for Records

The University will maintain sufficient records to detail the history of all procurements. These records will include but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

In accordance to 2 CFR § 200.333, all financial records, supporting documents, statistical records, and all other non-federal entity records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient. The Federal Awarding Agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity will have the right of access to any documents or records pertinent to the Federal award.

In the case of funding from any entity of the Commonwealth of Puerto Rico, including as a pass-through entity for federal funding, records must be retained for a period of six (6) years, in accordance with Regulation Number 33, Registration of Contracts, Deeds and Related Documents and Sending Copies to the Office of the Comptroller of the Commonwealth of Puerto Rico, as established by Law Number 18 of October 30, 1975, as amended (2 L.P.R.A. secs. 97-98).

I. Vendor Diversity

Diversity, social responsibility, and environmental sustainability are central to the University's mission. The University is committed to the principle of diversity and equal opportunity in all its endeavors and applies this principle in its procurement activities with the objective of encouraging participation by qualified vendors categorized as small, disadvantaged, minority, women-owned enterprises and organizations employing people with work-limiting disabilities.

The University believes that strengthening and expanding its vendor base in these business classifications not only may contribute to lowering operational costs but also contribute to the overall health of the greater business community. It is a practice of the University to identify qualified small, disadvantaged, minority, and women-owned businesses, and other businesses or organizations employing people with work-limiting disabilities businesses and to provide and promote equal opportunities for such vendors within the University structure to promote vendor diversity.

The University will take all affirmative steps to ensure that small, disadvantaged, and minority businesses, and women's business enterprises and labor surplus area firms are used when possible. These affirmative steps must include:

1. placing qualified small, disadvantaged, and minority businesses and women's business enterprises on solicitation lists and the university's vendor registry,
2. ensuring that small, disadvantaged, 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, disadvantaged, and minority businesses, and women's business enterprises,
4. establishing delivery schedules, where the requirement permits, that encourage participation by small, disadvantaged, 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 U.S. department of commerce; and

6. requiring the prime contractor, if subcontracts are to be issued, to take the affirmative steps listed in (1)-(5) above.

J. Domestic Preferences for Procurements

As appropriate and to the extent consistent with law, the University, to the greatest extent practicable, will provide 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).

These requirements must be included in all contracts and Purchase Orders for goods or construction services under any federal award. At its discretion, the University may choose to procure any goods or services produced outside of the United States on grants from non-federal government funding sources, and if these are not to be cost shared on any Federal award. For purposes of this section:

1. “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.
2. “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.

K. Federal Awarding Agency or Pass-through Entity Review

In instances of federal awards or subrecipient arrangements with federal funds, the University must make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the University desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

The University will make available upon request, for the federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

The University’s procurement procedures or operation fail to comply with the procurement standards in this Policy or its Procurement Procedures.

The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

1. The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a “brand name” product.

2. The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement.
3. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

The University is exempt from the pre-procurement review, if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of 2 CFR 200.

1. The University may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis.
2. The University may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from the University that it is complying with these standards. The University must cite specific policies, procedures, regulations, or standards as following these requirements and have its system available for review.

L. Supplier Performance and Financial Monitoring and Reporting Oversight

The University is responsible for oversight of the operations of all funded award activities irrespective of the source of funding. As such, the University will monitor activities under federal and other awards, as well as procurements made with institutional funding, to assure compliance with all terms, conditions and requirements, and accomplishment of performance expectations. The University is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements, including but not limited to source evaluation, protests, disputes and claims.

The University monitors suppliers to ensure that they perform in accordance with the terms and conditions of contracts and purchase orders by periodic performance reviews with suppliers and University end users.

The University, as the legal entity issuing contracts and agreements with suppliers and contractors, encourages responsible stewardship from any funding source. Each agreement addresses remedies in instances where suppliers or contractors violate or breach contract terms. The University will assess the ramification of a potential breach or violation by a supplier or contractor to ensure supplier and contractor performance in accordance with terms and conditions of any agreement. The University will take all necessary steps and appropriate legal remedies such as cancellation, sanctions or penalties to address a breach or violation of a contract.

M. Debarred or Suspended Suppliers and Contractors

Under Federal Government policy and in accordance with 2 CFR § 200.214, the University may

not award any contract under a federal award to any party that is suspended or debarred (or whose principals are suspended or debarred) from receipt of federal funding or participation in a federal programs, as indicated by the list of entities and individuals that are subject to governmentwide exclusion from participation in federal programs or funding in the System for Award Management (SAM) (at www.sam.gov).

The Procurement Office is responsible for verifying and documenting that potential contractors (or their principals) are eligible to receive federal funded contracts and are not listed on the government-wide exclusions in the System for Award Management (SAM). The University also may not permit the contractor to make an award at any tier to parties appearing on SAM's list of excluded parties.

If a potential supplier or contractor is found to be on the list of debarred, suspended or ineligible parties maintained at SAM.gov, the buyer must find a different source of supply of the product or service. If the buyer is unable to find an alternate source of supply, he or she will notify the Procurement Office who will take appropriate action.

N. Prohibited Telecommunications Equipment

The University shall not use any federal funding to procure or obtain (or 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 as part 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:

1. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
2. For 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).
3. Telecommunications or video surveillance services provided by such entities or using such equipment; or
4. 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.

This prohibition 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 contracts must include a clause with this prohibition.

O. Questions About this Policy


Questions regarding the scope and interpretation of this Policy should be directed to the Chief Financial Officer at: 787.728.1515, ext. 5424.

P. Reporting Violations

Violations to this Policy should be directed to the office of Compliance, Internal Audit and Institutional Integrity at cumplimiento@sagrado.edu. 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.

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, The University reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to the University's operations and good faith, unless otherwise provided by law.



Gilberto J. Marxuach-Torrós
President

Glossary of Terms

For purposes of this Policy and the *Procedures for the Procurement of Goods and Services*, these terms have the following meaning and apply both in singular and plural.

1. *Bid* - a document that offers to provide a certain good or perform a certain service or construction work at a specified price. A bid usually provides more detail than a quote and is commonly used for the procurement of goods or construction work where only price or price-related factors are considered.
2. *Bidder* - a potential supplier or vendor responding to a solicitation of prices for goods or services, typically in Sealed Bidding. A Bidder may also be referred to as an Offeror.
3. *Board of Trustees* - the Board of Trustees of the University.
4. *Buyer* - a procurement officer from the Procurement Office or a person in an operating unit who has been delegated procurement powers.
5. *Competitive Proposals* - a formal procurement method for the procurement of goods and services where an award with a value in excess of the Simplified Acquisition Threshold cannot be made based solely on price or price-related factors. It is sometimes referred to as a “best value” procurement.
6. *Contract* - a legal instrument by which the University purchases property or services needed to carry out the project or program. This term includes Purchase Orders.
7. *Contractor* - an entity that receives a Contract.
8. *Disbursement Voucher* - a purchase method where payment is authorized or made without the use of a Purchase Order or a Contract; this method is allowed only in the case of Micro-Purchases of less than \$2,000, provided all requirements for such Micro-Purchases are met.
9. *Federal Granting Agency (or Federal Awarding Agency)* - an entity or dependency of the Government of the United States of America that provides a federal grant award directly to a non-Federal agency.
10. *Fiscal Officers* - employees of an operating unit who are authorized to engage in procurement activities in collaboration with the Procurement Office.
11. *Initiators* - employees within an operating unit with authority to initiate the Purchase Requisition or Disbursement Voucher process.
12. *Institutional Emergency* - an event that threatens the safety of the members of the University community and could result in an imminent danger to persons or property; that could result in a violation of law, statute or ordinance established by governmental or other regulatory agencies; or if not acted upon immediately there is an imminent danger of interrupting the University’s operations.
13. *Micro-Purchases* - purchases below the micro-purchase threshold, which is currently set at \$15,000.

14. *Offeror or Bidder* - a vendor or potential vendor responding to Request for Proposal, Request for Qualifications or Invitation for Bid.
15. *Pass-Through Entity* - a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.
16. *Prequalified Vendor* - suppliers that are included in the University's Vendor Registry after going through an evaluation process.
17. *President shall* - the President of the University and such other University officer properly designated by the President to perform his or her duties during his or her unavailability.
18. *Procurement Evaluation Committee* - the committee responsible for evaluating and making an award recommendation on all bids or proposals received for the procurement of supplies, equipment, services, and construction services with a value exceeding the Simplified Acquisition Threshold (currently set at \$350,000).
19. *Procurement Request* - a Request for Proposals (RFP), an Invitation for Bid or such other request for an offer to provide goods and services in accordance with this Policy.
20. *Public Exigency or Public Emergency* - an emergency event declared by the President of the United States or by the Governor of Puerto Rico or is an event that threatens the safety of the members of the University community and could result in an imminent danger to persons or property.
21. *Purchase Order* - a legally binding document issued by the University for the purchase of certain goods and services, in accordance with this Policy and the Procurement Procedures, that sets forth the terms and conditions of said purchase and becomes binding upon acceptance by the vendor.
22. *Purchase Requisition* - a request for the purchase or acquisition of certain goods and services submitted by an operating unit to the Procurement Office in accordance with this Policy and the Procurement Procedures.
23. *Recommendation to Award (RTA)* - the process executed to recommend an award in a Sealed Bid or in Competitive Proposals.
24. *Request for Proposal (RFP)* - the process of requesting potential vendors to submit proposals for certain goods or services. The RFP usually includes documents that detail the scope of the goods or services requested and all applicable specifications necessary to submit a proposal.
25. *Request for Qualifications (RFQ)* - the process of requesting potential vendors to detail their background, experience, and qualifications to provide certain goods or services.
26. *Responsible Offeror or Responsible Bidder* - one that can demonstrate to the satisfaction of the University that the vendor has the ability, capacity, resources, integrity, expertise, and past performance, to deliver the goods or services requested, in accordance with the requirements set forth in the Procurement Request.

27. *Responsive Bid* - one that meets the requirements of the Procurement Request, including, without limitations, the University's contractual terms and conditions.
28. *Requisitioner Fiscal Unit* - the operating unit that submits a Purchase Requisition for certain goods and services within an approved institutional budget.
29. *Sealed Bidding* - a method of procurement which results in a contract awarded to the lowest-priced responsive Bid from a Responsible Offeror based on the requirements set forth in the Invitation for Bid (IFB).
30. *Simplified Acquisition Threshold* - the dollar amount below which a non-federal entity may purchase property or services using the Small Purchase methods. For purposes of this Policy, the Simplified Acquisition Threshold is currently set at \$350,000.
31. *Small Purchases* - are purchases between the Micro-Purchase threshold (currently \$15,000) and the Simplified Acquisition Threshold (currently set at \$350,000). This type of procurement is intended to be relatively simple and an informal method for securing services, supplies, or property that do not exceed the Simplified Acquisition Threshold.
32. *Sole Source Procurement* - a non-competitive purchase that takes place under specific and limited circumstances, such as when there is only one single responsible source for the necessary goods and services.
33. *Value Engineering* - a systematic, organized approach to providing necessary functions in a project at a lower cost. Value engineering promotes the substitution of materials and methods with less expensive alternatives, without sacrificing functionality, and generally allows the contractor to share in the savings.
34. *Vendor Registry* - a list of qualified or approved vendors who can provide goods and services to the University in accordance with the applicable requirements.