

HARVARD

UNIVERSITY POLICY



Procurement Policy

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Responsible Office: Strategic Procurement

Policy Statement

Harvard University requires that faculty, staff, researchers, students, or other individuals who plan for or purchase products, equipment, supplies, and services with University funds, base purchases on sound business practice, best value, accountability, and compliance with donor, sponsor and regulatory requirements. Individuals planning for or making purchases must follow this and other established Harvard University policies and procedures.

Harvard University personnel must purchase goods and services using practices that are compliant with applicable laws, regulations and obligations and that are aligned with Harvard's policies and objectives. The Federal Uniform Guidance mandates that purchases made with federal funds follow specific procedures and the University requires all purchases made with federal funds to follow these procedures. In addition, all purchases must comply with all terms and conditions of the funding source. The University strongly encourages best practices for purchases made with non-federal funds.

Whenever possible, all individuals purchasing on behalf of Harvard University should purchase goods and services from Harvard Preferred Vendors / Suppliers to reduce administrative burden and maximize the University's buying power.

If direction differs between this policy and external regulations, sponsor or donor terms, or other internal policy or procedures, the more restrictive instruction will apply.

Reason for Policy

This policy is intended to ensure that Harvard University resources are used properly in purchasing activities. Consistent adherence to the policy provides the reliability and assurance that purchasing activities meet regulatory requirements and sound business practice for acquisitions, contracts and third-party arrangements.

The University expects individuals to make sound and ethical purchasing and contracting decisions that will ensure the continued and efficient operation of the University.

Who Must Comply

All Harvard University personnel at all schools, tubs, local units, Affiliate Institutions, Allied Institutions and University-wide initiatives must comply with this policy, as well as any non-employees making purchases on behalf of the University. This includes purchases made with a Purchasing Card (PCard), Corporate Card, purchase orders and payment requests generated using Buy-to-Pay (B2P), petty cash or

electronic commerce, other systems used by Harvard (e.g., Sutherland Global, PRESTO, etc.) as well as legitimate purchases of goods and services purchased with personal funds and later reimbursed. Harvard University schools, tubs and local units may have related Local Policies as long as they are consistent with and meet the minimum standards set by University Policies.

Responsibilities

Financial deans or equivalent tub financial officers are responsible for ensuring that local units abide by this guidance and the accompanying procedures. School and tub finance offices should ensure processes that satisfy the [Buy to Pay Process](#) internal controls.

School/tub finance offices, with assistance when needed from Strategic Procurement and the Office for Sponsored Programs or Office of Research Administration (Longwood), are responsible for following the guidance. Tubs with dedicated Procurement Offices are responsible for outreach and applying the guidance with local unit procurement activity. School and tub finance offices should ensure processes that satisfy the [Buy-to-Pay Process](#) internal controls.

Strategic Procurement, is responsible for advising units on questions about this policy. Contact procurement@harvard.edu.

Office for Sponsored Programs (OSP) is responsible for advising schools/units on rules and requirements on federal and non-federal sponsored awards.

Financial Policy Office (FPO) is responsible for maintaining this policy. Contact financialpolicy@harvard.edu.

Purchasers (may also be called **Shoppers**) are individuals incurring expenses on behalf of Harvard. Specific pay groups will receive automatic access to B2P and are expected to follow this policy as well as other University policies.

Requestors (may also be called **Delegates or Preparers**) are responsible for ensuring that this policy is followed and must follow the Responsibilities of Purchasers, Preparers and Approvers (ROPPA) Policy and Conflict of Interest Standards. Units, particularly those with centralized approval models, may place additional responsibilities on their delegates/preparers/requestors. Compare with responsibilities of "Purchasers or Approvers."

Approvers are responsible for ensuring that purchases they approve are compliant with this policy, any related policies, and sponsor or gift terms and conditions (if relevant). Approvers must follow the Responsibilities of Purchasers, Preparers, and Approvers (ROPPA) Policy and Conflict of Interest Standards. Compare with responsibilities of "Purchasers or Preparers."

Tax Reporting is responsible for collecting supplier information and tax withholding and reporting for suppliers earning income from Harvard.

Procedures

I. For all Purchases, Regardless of Funding Source

A. Adhere to Responsibilities of Purchasers and Conflict of Interest Standards.

All purchasing activities conducted on behalf of Harvard University, whether performed by Strategic Procurement or other University employees and non-employees, and whether made with federal or non-federal funds, must follow the standards outlined in Appendix A. These standards are intended as a supplement to Harvard's existing conflict of interest policies (see Related Resources).

In addition, individuals who make purchases with University funds, or who prepare or approve transactions using Concur, University Credit Cards, B2P, PCard as well as any transactions that feed into the Oracle e-business suite from other systems (e.g., Presto, Sutherland Global, etc.) must follow the [Responsibilities of Purchasers, Preparers and Approvers Policy](#) (ROPPA). New PCard users, B2P users with a requestor or approver role, and Concur approvers must complete an [online training](#) prior to using the system(s). Other systems which have an approver component may require ROPPA Training. Contact your local Finance Office for guidance. Faculty ROPPA training requirements are at each School's discretion.

B. Follow required procedures for Special Purchases governed by other policies.

Certain purchases carry additional restrictions per Harvard policy. Please refer to University and local tub policies and procedures for the following purchases:

[Air Emission Source Compliance](#) (prior to buying equipment)

[Alcohol and Tobacco](#) (purchases of alcohol and tobacco may be subject to taxes)

[Animals – Live](#)

[Chemicals Facility Anti-Terrorism Standards Chemicals of Interest](#)

[Controlled Substances](#)

[Employee and Nonemployee Gifts and Celebratory Events](#)

Firearms – Prohibited by Massachusetts General Law. Contact [Harvard University Police Department](#) for additional guidance.

Human Subjects – [Use of](#) and [Processing Payments](#)

[Independent Contractor Policy](#)

[Radioactive Materials](#)

[Select Agents](#)

[University-Issued Card Policy](#)

[University Staff Mobile Phone Policy](#)

[University Travel Policy](#)

C. Visual Compliance

All suppliers paid through Harvard's Accounts Payable System are run through an automatic review by Visual Compliance (a third-party compliance screener). Visual Compliance notifies Harvard of any changes in a supplier's status. In addition to checking for debarments, Visual Compliance checks other watch lists including:

- Restricted Party Lists
- Export-related Restricted, Denied, Blocked Persons List (OFAC)
- Sanction Programs-related Blocked Persons List (OFAC)

- Law Enforcement-related Wanted Persons
- Politically Exposed Persons and OIG
- Int’l Terrorist, Blocked Person, Wanted, Entity List
- GSA (General Services Administration) list of Excluded Parties

For questions about Visual Compliance, please contact ap_supplieronboarding@harvard.edu.

D. Use Harvard Preferred Vendors / Suppliers whenever possible.

Harvard Preferred Vendors / Suppliers have been selected through a formal sourcing process resulting in a contract and/or pricing agreement with negotiated pricing, terms and conditions favorable to Harvard.

Purchases >\$50,000 with federal or cost-share funds require at least two quotes even if a preferred vendor is being used. The preferred vendor quote plus an additional quote will comply with federal requirement and would be included when submitting a completed vendor justification form (VJF).¹

Strategic Procurement is the only office which may flag a vendor as a Preferred Vendor / Supplier in Buy-to-Pay. If a school or unit has negotiated an agreement with a vendor/supplier/contractor and they meet certain requirements, they may qualify as a Preferred Vendor / Supplier. Contact [Strategic Procurement](#) or review the [Procure-to-Pay Manual](#) regarding the classification process for Preferred Vendors.

Purchase Type	List May be Found at:
Travel	All vendors on Harvard’s Travel and Reimbursements site are Preferred Vendors
Goods and Services	A complete list of Preferred Vendors may be found at Strategic Procurement Note: Harvard may access additional competitively bid contracts conducted by different group purchasing organizations (GPO) and consortia – some examples are E & I Cooperative Services, Mass Higher Education Consortium (MHEC) and U.S. Communities. Contact Strategic Procurement for more information.

Note: If retaining an individual (incorporated or not) for services, be sure the individual is properly classified as either an employee or an independent contractor before the work is started. See the [Independent Contractor](#) Policy.

Follow standard University set payment terms (net 30 for companies) as well as other contract language requirements if not using a University contract template. See Procure-to-Pay Manual.

E. Apply tax exemptions where applicable.

Harvard is a Massachusetts tax-exempt corporation and qualifies for tax exemptions in some states on purchases of goods or services (Cert. # 342878208 - Form ST-2). In Massachusetts, Harvard is exempt from sales and meals tax, but not exempt from room tax. This applies to all

¹ Harvard’s procurement thresholds are based Uniform Guidance 2 CRF 200.320.

purchases; both made via the PCard, Corporate Card, through direct billing or reimbursements to individual for out-of-pocket expenses.

In order to obtain an exemption, the purchaser may need to provide required [state forms](#) to the vendor. See the [Tax Exemption Write-Up](#) for additional guidance.

Note: When using federal funds, cost-share funds, or expenses being transferred onto federal funds, if a purchaser fails to use Harvard's tax-exempt status where allowed, the taxes may not be charged to a federal award. The taxes must be charged to non-federal funds using object code 8450. If Harvard is required to pay the taxes (i.e., room tax or other states where Harvard does not have tax exempt status), then the tax may be charged to the federal award using the appropriate expense object code. See the [Sponsored Expenditures Guidelines](#).

Note: Resale of items may require payments of Unrelated Business Income Tax (UBIT) or sales tax: Contact your local Finance Office for additional guidance.

II. For Purchases with Federal Funds

Follow required practices for purchases with federal funds (fund ranges 100000-199999), cost-share commitments or expenses journaled onto federal funds. See [Appendix B](#) for a summary table of purchase requirements. These purchases are subject to internal and external audit. Departments are required to retain back-up documentation, such as proposals, bids, quotes, debarment forms, VJF forms, and cost/price analyses, on file for federal auditors. Back-up documentation may be uploaded into B2P or retained locally. See [Section II.F](#) for general retention schedules. B2P has a 5MB file size limit per attachment, with 10 attachments per object (an object is a requisition, contract, etc.) .

A. Complete a Vendor Justification Form (VJF):

The information and any back-up documentation requested on a VJF (see [Appendix C](#)) meets the supporting documentation requirements around justification for the selection of a supplier.

Schools must complete the VJF for all purchases greater than \$50,000 (also known as small purchases or the simplified acquisition threshold) using federal funds, cost-share funds or expenses journaled onto federal funds. The completed VJF must be attached to the requisition under the "internal notes and attachments section." Additional supporting documentation such as copies of proposals, bids or quotes and cost or price analysis must be kept on file or attached to the requisition in the B2P system (see Section II.F). See Appendix B for a summary of purchase requirements. A preferred vendor can be one of the quotes. Approvers should review the documentation for completeness prior to submitting a purchase order (catalog or non-catalog) or approving requisitions or payments in B2P.

Note: The Electronic VJF reminder notice is activated only when federal funds are used, purchases with cost-share funds or expenses journaled onto federal funds must have a VJF completed if the purchase is over \$50,000.

Note: If a subcontract (subrecipient) is formally negotiated through and signed by the Office for Sponsored Programs – University Area or the Office of Research Administration (ORA) in the Longwood Medical Area –the contract's scope of work and terms should adequately reflect

vendor selection justification. In cases of formal OSP/ORAs subcontracts, the B2P Shopper or Requestor would select "4 – Not Required – Subcontract/Subrecipient Invoice Negotiated by School's Sponsored Office." This selection can be made when entering a requisition or when a notice to upload a VJF is received.

B. Obtain debarment documentation where required.

Purchases of any amount from debarred vendors cannot be charged to federal funds, cost-share funds, or expenses to be journaled onto federal funds. It is a best practice not to use a debarred vendor for any purchases.

Federal Awards that have been classified as a grant, cooperative agreement or not subject to the federal acquisition regulations (FAR) do not require additional debarment documentation due to daily, automatic reviews completed by Visual Compliance in Harvard's Supplier Portal. See [Finding the Funding Instrument](#) for additional information.

Federal awards that have been classified as a contract, whether cost reimbursable or fixed price, under Federal Acquisition Regulations (FAR) require additional debarment attestation by the supplier for purchases of \$35,000 or more. This also applies to cost-share funds linked to federal contracts. The additional documentation can be in the form of a signed [Debarment Certification Form](#) or be included as language in the signed contract such as a subcontract agreement negotiated by a pre-award office.

C. Debarment Documentation Requirements

Contract

- If the purchase or funding commitment is \$35,000 or more debarment language is required through either a signed Debarment Form uploaded into B2P or debarment language in a signed contract.
- If the purchase or funding commitment is less than \$35,000, there are no additional debarment requirements. Supplier is automatically reviewed daily by Visual Compliance for debarments as well as other federal watch lists.

Grant or Cooperative Agreement

- There are no additional debarment requirements. Supplier is automatically reviewed daily by Visual Compliance for debarments as well as other federal watch lists.

D. Proposals for purchases >\$250,000:

A formal proposal process with written proposals is generally required for federal purchases greater than \$250,000 for non-sole-source purchases. Proposals must follow competitive procurement guidelines (or sealed bids if construction). A competitive proposal requires a formal Request for Proposal (RFP) be publicly advertised. See Procure-to-Pay Manual for additional details and exceptions or contact Strategic Procurement Contracts for additional guidance.

E. Consider small and disadvantaged businesses:

For each contract over \$750,000, a Subcontracting Plan for Small and Small Disadvantaged Businesses is required, unless other arrangements are made during contract award. Coordinate

with your OSP post award contact and Strategic Procurement and see the Procure-to-Pay Manual for additional guidance.

See Section [IV.C. Vendor Diversity Initiative](#).

F. Avoid wasteful or duplicative purchases.

The Uniform Guidance requires Harvard to consider ways to prevent the purchase of unnecessary or duplicative items. In addition, when possible, purchasers should compare the costs of leasing versus buying, and assess the feasibility of consolidating, breaking out purchases or sharing a product or service to reduce overall costs. See Procure-to-Pay Manual for additional guidance.

Schools and units should take advantage of local resources and other Harvard resources, including [Biolabs Stockroom](#), [Harvard Events Management](#), [FAS Research Computing](#), [Center for Nanoscale Systems](#), [Small Molecule Mass Spectrometry](#), [Electron Microscopy – Longwood Area](#), [Harvard Libraries Reproductions](#), [HUIT Vendor Management Office](#), [NE Biolabs, Inc.](#), etc., school-specific event sites, and use of other Harvard labs and shops which may allow access to their equipment.

Some schools may use [Harvie Classified Lab Equipment](#) to post and search for University-wide equipment.

G. Retain records as appropriate for sponsored funds.

For purchases with sponsored funds, Harvard **must** maintain records sufficient to detail the history of procurement; all departments are responsible for managing their own procurement records. Departments are responsible for reviewing the content of their purchase orders, correctly communicating the orders to the vendors and maintaining systems that comply with federal procurement regulations where applicable. Typically, federal sponsored records must be kept for seven years after the final financial close on the award; some sponsors may require longer retention periods. Electronic records are acceptable. Departments **must** retain the following records:

1. Rationale for the method of procurement (informal quotes, formal written quotes, sole-source, etc.)
2. Vendor selection or rejection process – including the completed VJF
3. Basis for contract price (cost/price analysis)

Departments may upload the back-up documentation and proposal details in B2P which will retain information indefinitely. Schools must be able to retrieve the documentation in the event of an audit. Please see Harvard Library's [General Records Schedule](#) for more specific information.

III. All Funds Other Than Federal

A. Follow fund terms and best practices for purchases with any non-federal funds (all funds other than 100000-199999).

Typically, only purchases made with federal funds must comply with the terms of the Uniform Guidance or the Federal Acquisition Regulations (FAR). However, note that any purchases transferred to a federal award or expenses on cost-share accounts **must** comply with the Uniform Guidance and the terms of the award, even if the purchase was originally made with non-federal funds. Likewise, purchases transferred to other funds **must** comply with sponsor or donor terms if applicable, even if the purchase was originally made with unrestricted funds. See [Appendix B](#) regarding a summary table of best practices when using non-federal funds. *Schools and units may have more formal or restrictive contract review thresholds. Contact your local Procurement or Finance Office for additional information.*

Harvard Preferred Vendors should be used whenever possible. If a school or unit has negotiated an agreement with a vendor/contractor they must follow Harvard's standard contract payment terms as well as include Harvard's required contract language (see [Contract Templates](#)). Deviations from Harvard's standard payment terms or required contract language must be preapproved by [Strategic Procurement](#).

Vendors with certain school or unit negotiated agreements may qualify as a Preferred Vendor if they meet certain requirements. Contact Strategic Procurement or review the [Procure-to-Pay Manual](#) regarding the classification process required for Strategic Procurement to classify a Preferred Vendor.

1. Goods or services ≤\$50,000: for purchases with a total value of \$50,000 or less, University personnel may use their discretion to select a responsible supplier to purchase goods or services, as long as the good or service is not on the list of Special Purchases, see [Section I.B](#). In cases of special purchases, more restrictive or controlled processes apply.
2. Goods or services >\$50,000 to \$250,000: for purchases, it is recommended that the purchasers obtain at least two quotes (three or more is best practice) from qualified suppliers. See [Appendix B](#) regarding a summary table of best practices when using non-federal funds and the [Procure-to-Pay Manual](#) and [FAQ](#) for additional guidance and examples.
3. Goods or services >\$250,000: for purchases greater than \$250,000, a best practice is to conduct a formal proposal process from at least two vendors (three or more is a best practice). Contact your Tub Procurement Office (if applicable) or Strategic Procurement Office or review the [Procure-to-Pay Manual](#) for additional information on conducting a formal proposal process.

B. Wasteful or Duplicative Purchases

A best practice is to consider ways to prevent the purchase of unnecessary or duplicative items. See [Section II.E](#) for additional guidance.

C. Retain records as appropriate for all other funds.

For purchases with non-federal funds, follow any fund terms and conditions. If their terms and conditions do not specify retention requirements, departments are encouraged to follow the

same records retention schedule as for purchases with federally-sponsored funds. See Harvard's [General Records Schedule](#) for additional details.

The Buy-to-Pay system will retain all materials uploaded into the system indefinitely. This includes the complete Jaggaer suite; Supplier Portal, eProcurement/AP, Contract Management and Sourcing. Materials retained include the electronic record, invoice, vendor justification form, independent contractor questionnaire, and any other materials uploaded. B2P has a 5MB file size limit per attachment, with 10 attachments per object (an object is a requisition, contract, etc.) .

See Harvard's [General Records Schedule](#) for additional details.

IV. Follow Other Best Purchasing Practices

A. Contracts:

Generally, a contract is required if a binding agreement is intended between Harvard and any outside party where either Harvard or the other party will be responsible for specific deliverables or services. Harvard may have an existing master services agreement (MSA) with a vendor. If you believe others at Harvard may be using the vendor you are selecting, please contact [Strategic Procurement Contract Team](#). The terms and conditions in an MSA may take precedence over tub or department level contracts. If a school or unit has negotiated an agreement with a vendor/contractor and they meet certain requirements, they may qualify as a Preferred Vendor / Supplier. Contact Strategic Procurement Sourcing or see the [Procure-to-Pay Manual](#) regarding the process to classify Preferred Vendors. Schools are encouraged to upload contracts into the B2P total contract management tool.

Follow your local Schools or unit's contract review and signature thresholds processes. Contact your local Procurement or Finance Office for additional information.

Contract templates may be found [Contract Templates](#).

1. Schools must follow Harvard's standard payment terms unless preapproved by Strategic Procurement.
2. Follow your local School or unit's contract review and signature thresholds. At a minimum, procurement contracts or other binding documents (defined as an agreement, quote, contract, or statement of work) of \$250,000 or more should be reviewed by your local Finance or Procurement Office **PRIOR** to signing the binding agreement, issuing a purchase order (catalog or non-catalog) or receipt of the good or service being signed. School or units may want to consult with Harvard Strategic Procurement or the General Counsel's Office for high-risk or complex contracts.
3. Time and materials contracts (where service providers bill for actual staff time and materials) should only be used after a determination that no other contract is suitable and if the contract includes a ceiling price that the vendor/contractor exceeds at his own risk.
4. Schools and units may have specific policies about contract review thresholds but should satisfy the minimum thresholds stated above.

Note: If retaining an individual (incorporated or not) for services, be sure the individual is properly classified as either an employee or an independent contractor before the work is started. See the [Independent Contractor](#) Policy.

B. Approval Authority and Substitution

1. Harvard strongly recommends that an Approver should not approve transactions for their direct supervisor. The hierarchy should be part of an approval process that reasonably ensures separation of duties, the protection of University assets and a thorough and disinterested review. While individuals with certain security roles may self-approve up to \$2,499.99 on non-federal purchases, Harvard does not recommend self-approval as a routine practice. Schools and units who do use self-approvals may want to create internal monitoring processes for self-approvals, such as regular review of reports available in financial systems (B2P, PCard, etc.). OSP may also review self-approval audit reports regarding federal funds.
2. B2P Approvers have the ability to assign a substitute approver, to forward a specific request for additional approvals, or add an additional “ad-hoc” approver to a specific request. See [Procure-to-Pay Manual](#) for additional information.

C. Vendor Diversity Initiative:

Harvard purchasers are encouraged to create a climate of inclusion and support of diverse and disadvantaged businesses. This category includes disadvantaged business, minority owned business, women owned, HUBZone, small business, veteran-owned and service-disabled veteran-owned businesses. Whenever possible, purchasers are encouraged to:

1. Identify and place qualified diverse and disadvantaged businesses on solicitation lists;
2. Assure that such businesses are solicited when they are potential sources;
3. Divide total requirement, when economically feasible, into smaller tasks or quantities to permit maximum participation by such businesses;
4. Establish delivery schedules, where requirements permit, which encourage such business to respond;
5. Use service and assistance from such organizations as SBA, Minority Business Development Agency of the Department of Commerce; and
6. Require prime vendors/contractors to take the same affirmative steps.

Resources for minority and women owned businesses and small business enterprises may be found at the [Supplier Diversity Programs](#) website.

D. Environmentally Preferred Products Initiative:

All procurement activities are encouraged to conform to the University [Sustainable Purchasing Guidelines](#). Purchasers are encouraged to reduce the environmental impact of purchasing decisions and ensure they are aligned with University-wide sustainability goals, including the Greenhouse Gas Reduction Goal, by buying goods and services from manufacturers and suppliers committed to protecting the environment.

Definitions

Approvers: Are responsible for the review of transactions submitted to them, making informed judgments about the reasonableness of those transactions, evidencing their authorization of those transactions (either on paper or online) and approval (or rejection) in a timely manner. Note that the approver of a transaction may or may not be the person who clicks the “approve” button in Harvard’s financial system; some tubs or units may have approvers who review and sign off on transactions on paper.

Buy to Pay (B2P): Harvard’s fully integrated accounts payable, eProcurement, supplier management, contract management, and sourcing system solution created by Jaggaer. B2P replaced HCOM and Novatus in 2020.

Competitive Bid / Proposal: A competitive proposal or bid requires a formal procurement and must be publicly advertised if using federal funds. See Procure-to-Pay Manual for additional guidance.

Consortia: An entity that is created to leverage the purchasing power of a group of businesses or organizations (including universities) to obtain discounts from vendors based on the collective buying power of its members.

Contract: An agreement having a lawful object entered into voluntarily by two or more parties, each of whom intends to create one or more legal obligations between them.

Contractor: A supplier providing goods or services to Harvard. For purposes of this policy, the term “contractor” is used interchangeably with the term “vendor” or “supplier.”

Corporate Card: A joint-liability credit card issued by the University to employees for payment of business-related travel and entertainment expenses.

Debarment Certification Form: The Debarment Certification Form allows Harvard to obtain written certification from vendors that they have not been debarred (prohibited) from doing business with the federal government. This is required for any purchase order or commitment of \$35,000 and over and made with federal contracts. A prime contractor such as Harvard, who knowingly does business with a debarred vendor, risks having its federal contract terminated. The form must be completed at the time the order is placed (i.e. even if the vendor was not debarred 6 months ago, you need to prove they are not debarred at the time of your purchase).

Delegate: See Preparer/Requestor.

Federal Acquisition Regulations (FAR): the principal set of rules in the Federal Acquisition Regulations System regarding government procurement in the United States and is codified in Chapter 1 of Title 48 of the Code of Federal Regulations, 48 C.F.R.1

Federal Funds: Funds received from the federal government which fall into the fund code range of 100000-199999.

Harvard Crimson Online Marketplace (HCOM): E-procurement system which was a precursor to B2P. HCOM will remain as view only for historical purposes only. No legacy data was migrated from HCOM to B2P.

Material Gift or Entertainment: for purposes of this policy, “material” is defined as over \$100; however, there may be exceptions depending on the circumstances. Staff are encouraged to use good judgment and to discuss gifts or entertainment with their supervisors.

Micro Purchases: Harvard has defined a micro-purchase as purchases of \$50,000 or less based on Uniform Guidance [2 CFR 200.320](#). A micro-purchase does not require competition or a cost/price analysis but should be distributed equitably among qualified supplies (to the extent practicable).

Non-Competitive Proposal or Bid (also known as Sole-Source): Used when choosing a specific company and bypassing the competition. One or more of the following must apply: 1) public emergency procurement will not permit a delay in competitive solicitation, 2) after solicitation of a number of sources, competition is determined inadequate, 3) awarding agency or pass-through expressly authorizes noncompetitive proposals (must be documented), or 4) continuity of existing research/work.

Non-federal Sponsored Funds: Also called other sponsored funds and may include funding from non-federal sponsors, including foundations, institutes, and societies. These funds fall within the fund ranges 200000-299999.

Non-sponsored Funds: Any funds falling into fund ranges falling outside of the federal and non-federal sponsored fund ranges. Included in this range are funds between 000001-099999 and 300000-749999.

Preferred Vendor/Supplier: Supplier that has been awarded a contract and/or pricing agreement with negotiated terms and conditions and pricing favorable to Harvard, for use by University schools or units, after successfully completing a formal sourcing process. The Strategic Procurement Office is the sole office which can flag a Preferred Vendor in the Buy-to-Pay system. The list of University Preferred Vendors can be found on the Strategic Procurement website. A Preferred Vendor does not necessarily meet Uniform Guidance and FAR regulations so a second or third quote is necessary when using federal funds for purchases >\$50,000.00.

In addition, Harvard may access competitively bid contracts conducted by different group purchasing organizations (GPO) and consortia - some examples are E & I, Mass Higher Education Consortium (MHEC) and U.S. Communities based on evidence of consortia’s sound competitive and ethical procurement practices.

Preparer/Requestor: an individual who assembles the information and backup needed for a transaction, keys it into the system and submits it for approval. In B2P eProcurement, this is sometimes the Shopper’s responsibility depending on how the school issued roles.

Proposal: Used for these purposes as a request to the supplier of information for the purchase of a good or service. The requirements of a proposal will vary based on the funding source and purchase amount.

Purchaser/Shopper: an individual who spends University funds, both directly (through use of B2P or PCard) or indirectly (through use of Corporate Card or personal funds to be reimbursed). In B2P eProcurement, this is sometimes the Requestors responsibility depending on how the school issued roles.

Purchasing Card (PCard): A University-liability credit card issued by the University to employees, for payment of high-volume, low-dollar, non-travel-related and non-entertainment-related business purchases. See the [University-Issued Card Policy](#) for more information.

Quote: A written statement of promise (submitted usually in response to a request for quotation) by potential supplier to supply the goods or services required by a purchaser, at specified prices, and within a specified period. A quotation may also contain terms of sale and payment, and warranties. A quote may sometimes be called a proposal.

Requestor: See Preparer/Requestor.

Request for Bid: Method used to solicit competitive sealed bid responses, and where the decision is made based on the lowest responsive bid and responsible bidder. See [Procure-to-Pay Manual](#) for additional guidance.

Request for Proposal (RFP): An RFP may be issued to single or multiple suppliers (multiple suppliers required for federally funded projects) and may be utilized on projects that require a substantial amount of technical specifications. The goal of an RFP is to secure highly specific proposals that will exactly meet Harvard's detailed requirements. A well-designed RFP will help determine which suppliers are most capable of meeting Harvard's complex needs ("process-sourcing" not just "price-sourcing"). RFP's allow suppliers to propose different ideas or ways of performing specific aspects of the project. Supplier Performance and expertise are factors that lead to a higher level of quality, and negotiation provides the ability to obtain the best value. Also, leaving the implementation methods to the prospective offerors allows for increased innovation and customization of the project (they are the experts). Development of an RFP typically requires significant effort and commitment on the part of the sponsoring school/unit. An RFP is used for highly complex projects and detail the goals and nature of the project that need to be completed. Typically used for large-scale services engagements including, but not limited to, consulting projects, business process outsourcing or construction projects.

Request for Quote (RFQ): An RFQ may be issued to single or multiple suppliers (multiple suppliers required for federally funded projects). It is usually employed for procurement of categories where price and availability are the key considerations. Quotes are particularly useful for predictable projects when the contracting party has a clear understanding of the requirements and processes necessary to achieve the end-product. This involves providing detailed written specifications including all the terms and conditions for the work, explicitly outlining what the specifications and desired end-product will be. It requires Harvard to provide concrete requirements in terms of a formal list of work, supplies, and equipment required for a project. Suppliers provide specific, committed costs. It may be used to make an award decision. An RFQ is often issued to suppliers when the contracting party is confident the vendors providing the quotes can equally provide the same/or similar quality product/service ("all things being equal"). Typically used for the procurement of good and/or. services.

Requisition: A catalog or non-catalog request that is created in B2P eProcurement which will go through the approval process. Once the requisition has been approved, it will generate a Purchase Order which can be sent to the vendor electronically (if a catalog order) or manually (if a non-catalog order) by a B2P user. This is an internal document.

Sealed Bid: Used for construction projects more than \$250,000. Formal solicitation is required and the fixed price (lump sum or unit price) is awarded to the responsible bidder who meets all terms and is lowest in price.

Selected Source: Alternate vendors exist, but the buyer chooses a particular vendor because of technical requirements (precision, reliability) or past performance by other vendors (poor service, availability of parts).

Shopper: See Purchaser.

Simplified Acquisition Threshold (SAT): See Small Purchase

Single Source (also known as non-competitive bid or proposal): Used when choosing a specific company and bypassing the competition. One or more of the following must apply: 1) public emergency procurement will not permit a delay in competitive solicitation, 2) after solicitation of a number of sources, competition is determined inadequate, 3) awarding agency or pass-through expressly authorizes noncompetitive proposals (must be documented), or 4) continuity of existing research/work.

Small Purchase (also called Simplified Acquisition Threshold): Harvard has defined a small purchase as between \$50,000.01-\$250,000 and two quotes as an adequate number. These thresholds are based on Uniform Guidance [2 CFR 200.320](#)

Sole-Source: A designation for a vendor whose product or service is unique and, to the best of the user's knowledge, the vendor is the only known source (worldwide) from whom the product or service can be purchased.

Solicitation: A request to suppliers to make submissions to a purchasing organization. One of the critical documents in the solicitation is the specification or statement of work. It may be called either a request for proposal (RFP), request for response (RFR), or a request for quotation (RFQ), or a request for information (RFI).

Special Purchases: Purchases which carry additional restrictions per Harvard policy, such as purchases of chemicals or radioactive materials, live animals, etc.

Supplier: A vendor providing goods or services to Harvard. For purposes of this policy, the term "supplier" is used interchangeably with the term "contractor" or "vendor." The general term "supplier" is different from the definition of a Harvard "Preferred Vendor or Supplier," which is a supplier selected through a competitive bid and negotiation process and whose products and services offer optimized value.

Time and Materials Contract (T&M): A type of contract for supplies and services based on direct hours at fixed hourly rates (include wages, overhead, general and administrative expenses and profit) and actual cost for materials. T&M contracts are often used when the extent or duration of the work cannot be estimated with a reasonable degree of confidence.

Total Cost of Ownership: Estimate of all direct and indirect costs associated with an item over the course of its lifetime.

Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards: also known as Uniform Guidance or 2 CFR 200 is a government-wide framework for grants management and is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.

Uniform Guidance: See Uniform Administrative Requirements.

Vendor: See Supplier.

Vendors under Contract: Vendors with whom Procurement has a negotiated contract and/or pricing agreement but that may not meet Uniform Guidance requirements for sponsored purchases.

Vendor Justification Form (VJF): a form used to justify sole-source selection and cost or price analysis, required for all purchases greater than \$50,000 made with federal funds, cost-share funds or expenses transferred onto federal funds.

Revision History

07/01/2018 – Original issue date.

07/01/2018.01M – Updated definition section and Appendix B to include threshold determination.

04/27/2020 – Addendum regarding debarment documentation requirements based on B2P system visual compliance checks.

01/01/2021 – Updated language to reflect new B2P system, added section around standard payment schedules, modified debarment requirement and increased micro purchase threshold from \$10,000 to \$50,000, added language around Visual Compliance.

09/01/2023 – Modified purchase thresholds from \$250,000-\$699,999 to \$250,000-\$750,000 and contracts \geq \$700,000 to $>$ \$750,000. Added links for University-Issued Card Policy. Corrected various links.

Related Resources/Appendices

[Appendix A:](#) Responsibilities of Purchasers and Conflict of Interest Standards

[Appendix B:](#) Summary of Purchasing Procedures for Federal and Non-federal Funds

[Appendix C:](#) Vendor Justification Form (VJF) and Sample Language

[Access to Harvard's Financial Systems](#)

[Accounting for Leases Policy](#)

[Business Expense Reimbursements](#)

[Buy-to-Pay Website](#)

[Conflicts of Interest or Commitment – Staff Personnel Manual](#)

[Contract Samples](#) (see also Office of General Counsel Model Contract Agreements)

[Cost Transfer Policy](#)

[Debarment Form](#)

[DUNS and TIN/EIN Number FAQ](#)

[Federal Acquisitions Regulations \(FAR\)](#)

[Inflation Adjustment of Acquisition-Related Thresholds](#)

[Debarment – 52.209-6 and 200.21](#)

[Negotiation of Profit – Section 200.323 \(b\)](#)

[Small and Disadvantaged Business - 52.219-9 and 200.21](#)

[Financial Management of Property, Plant and Equipment](#)

[Fraud Awareness and Reporting](#)

[Harvard list of Preferred Vendors](#)

[Harvard Key Controls \(aka Internal Controls\) – Procure-to-Pay](#)

[Harvard University Faculty Policy on Financial Conflict of Interest](#)

[Harvard University Staff Policy on Conflicts of Interest or Commitment](#)

[Harvard University Policy on Conflicts of Interest and Commitment for Senior Officers and Administrators \(2013-2014\)](#)

[Harvard University Terms and Conditions \(see also Contract Templates\)](#)

[Harvard General Records Schedule](#)

[Harvard University Procure-to-Pay Guide](#)

[Harvard University Researchers' Guide for Use of Controlled Substances](#)

[Independent Contractors](#)

[Legal Agreements, Workflow, Negotiating Authority and Signing Authority](#)

[Office for Academic and Research Integrity](#)

[Office of the General Counsel Model Contract Documents](#)

[OMB Uniform Guidance](#)

[Petty Cash](#)

[Preferred Vendor List](#)

[Procure-to-Pay Manual](#)

[Responsibilities of Purchasers, Prepares and Approvers \(ROPPA\)](#)

[Subrecipient vs Contractor Guidance](#)

[Sustainable / Green Purchasing Guidelines](#)

[Tax Exemption Certification Guidance](#)

[Travel Policy](#)

[Uniform Administrative Requirements](#)

[Wasteful or Duplicative Purchases: 200.318 \(c\)\(2\)\(d\)](#)

[University-Issued Card Policy](#)

[University-wide Policy on Individual Financial Conflicts of Interest for Persons Holding Faculty and Teaching Appointments](#)

[Unrelated Business Income Tax \(UBIT\) -](#)

[Vendor Justification Form](#)

[Wage and Benefit Parity Policy](#)

Appendix A

Responsibilities of Purchasers and Conflict of Interest Standards

All individuals conducting purchasing activities on behalf of Harvard University **must** avoid conflicts of interest in their purchasing decisions, including but not limited to the following:

<ul style="list-style-type: none">• Avoid the intent, appearance, and conduct of unethical or compromising practice in relationships, actions, and communications, including with affiliates or subsidiaries, or organizations that President and Fellows of Harvard College controls. For the most part, this does not include area hospitals and clinics with whom we work closely but are not part of Harvard. When transacting with an affiliate or subsidiary, you must abide by the same standards within this Appendix A.
<ul style="list-style-type: none">• Demonstrate loyalty to Harvard University by diligently following the applicable laws, policies and procedures using reasonable care and only the authority granted as an agent purchasing on behalf of the University.
<ul style="list-style-type: none">• Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of Harvard University. A conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
<ul style="list-style-type: none">• Avoid procuring goods or services from a vendor who participated in advising, developing or drafting the request for proposals or bidding criteria.
<ul style="list-style-type: none">• Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts; such as the acceptance of material gifts or entertainment, or any kind of favors or services from present or potential suppliers that might influence, or appear to influence procurement decisions.
<ul style="list-style-type: none">• Handle information of a confidential or proprietary nature to Harvard University and/or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations. Bids and quotes submitted to the University are to be held in strictest confidence. Under no circumstances may Harvard personnel give suppliers information about bids or quotes from competing sources.
<ul style="list-style-type: none">• Promote positive supplier relationships through courtesy and impartiality in all phases of the procure-to-pay cycle.
<ul style="list-style-type: none">• Do not use Harvard University procure-to-pay systems for personal purchases, or use Harvard University buying power for personal benefit.
<ul style="list-style-type: none">• University funds must not be used for personal expenses and purchases that are not made on behalf of the University or for use by the University. Purchases must be for the use and benefit of Harvard University, regardless of intent to reimburse the University.
<ul style="list-style-type: none">• If an individual believes that they may have a conflict of interest, the individual must promptly and fully disclose the conflict to their supervisor and suspend participation on the purchase until conflict question has been resolved. The supervisor is responsible for documenting the conflict and elevating it to the school Financial Dean's office or other office as appropriate. The supervisor in conjunction with other relevant offices will assess the conflict and determine if the purchaser can resume participation or if a management plan is needed. This section is not meant to replace or detract from the existing Harvard Faculty Financial Conflict of Interest Policies.

Violations of the above standards will be considered serious misconduct and will be referred to the appropriate office for disciplinary action.

See also: [Fraud Awareness and Reporting, Harvard University Policy on Conflicts of Interest and Commitment for Senior Officers and Administrators, Office for Academic and Research Integrity, University-wide Policy on Individual Financial Conflicts of Interest for Persons Holding Faculty and Teaching Appointments, Institutional Conflicts of Interest Policy](#)

Appendix B: Summary of Purchasing Procedures for Standard Purchases

(Excluding Special Purchases – see [Section I.B](#))

Schools or Units may have more restrictive requirements, contact your Finance Office for guidance.

Threshold ^(a)	REQUIRED for Federal Funds (100000-199999) Cost-Share Funds or Expenses Journalled onto Federal Funds	BEST PRACTICE for Non-Federal Funds (all other funds)
\$0-\$50,000 Micro Purchase	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged Visual Compliance monitors debarred suppliers on a daily basis Purchases should be distributed equitably among qualified suppliers to the extent practical No self-approval is allowed on federal funds 	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged Purchases should be distributed equitably among qualified suppliers to the extent practical Self-approval for purchase up to \$2,499.99 is allowed, but not recommended
≥\$35,000 Debarment Certification for Federal Contracts	<ul style="list-style-type: none"> Required for contract purchases ≥ \$35,000 subject to Federal Acquisition Regulations, a signed Debarment Certification Form is required or debarment language must be included in the contract before Harvard makes a purchase commitment 	<ul style="list-style-type: none"> Not Applicable
>\$50,000-\$250,000 Small Purchase Simplified Acquisition Threshold (SAT)	<ul style="list-style-type: none"> Complete and Upload VJF in B2P <ul style="list-style-type: none"> A minimum of 2 but recommend 3 written quotes (email is allowable) is required if purchase is not a single- or sole-source purchase University-recognized preferred vendors may be used as one of the written quotes. Back-up documentation regarding vendor selection justification, (quotes, explanation around sole source vendors etc.) must be kept on file or uploaded into B2P Purchases should be distributed equitably among qualified suppliers to the extent practical 	<ul style="list-style-type: none"> University recognized Preferred Vendors are encouraged, OR Should obtain a minimum of 2 but recommend 3 written quotes (email is allowable) Purchases should be distributed equitably among qualified suppliers to the extent practical
>\$250,000-\$ 750,000 ^(b)	<ul style="list-style-type: none"> Same as above, AND If a competitive proposal: <ul style="list-style-type: none"> Must conduct a formal written proposal process. Vendor selection should be awarded to the bidder whose proposal is most advantageous to the program with price being <u>one</u> of the factors. Sealed bids must select the vendor that meets the requirements & has the lowest bid Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee 	<ul style="list-style-type: none"> Same as above, AND Should obtain a minimum of 2 but recommend 3 <u>written</u> quotes (email is allowable). Payments ≥ \$250,000 require electronic approval of Tub Financial Dean or Designee
>\$750,000+ (\$1.5M for construction)	<ul style="list-style-type: none"> Same as above, AND Purchaser must develop minority vending goals & complete Individual Subcontractor Reports (ISR) & Summary Subcontract Reports (SSR) & submit subcontracting plan if required by RFP 	<ul style="list-style-type: none"> Same as above

^(a) See [Subrecipient vs Contractor Guidance](#) to determine if a subcontract or vendor/contractor and/or requirements of subcontracts under vendor/contractor contracts.

^(b) See the [Procure-to-Pay Manual](#) regarding requirements for noncompetitive, competitive or sealed bid proposals and processes. Some bid types may require the selection of the lowest bidder, others may not. Contact your local school Finance or Procurement offices for guidance

APPENDIX C

VENDOR JUSTIFICATION/PRICE VERIFICATION FORM (VJF)

A vendor is a supplier providing goods or services to Harvard.
Harvard uses the term “vendor,” “supplier” and “contractor” interchangeably.

Requisition/PO/PR NO (if known): _____ **Date:** _____ **Supplier:** _____

TUB AND ORG NAME: _____ **ACCT.CODE:** _____

Tub	Org.	Obj.	Fund	Activity	Subact.	Root

Purchased with: ☐ Federal Funds (100000-199999) ☐ Cost-Share Funds ☐ All Other Fund Types

Note: A subcontract formally negotiated through and signed by OSP or ORA does not require a VJF.

Harvard University requires vendor/supplier selection justification and price verification for orders > \$50,000 purchased with Federal funds (100000-199999 fund range). Purchases made with cost-share funds or journaled onto Federal funds must also meet these requirements. All individuals making purchases on behalf of Harvard must follow the conflict of interest standards outlined in [Appendix A](#) as well as any other of Harvard’s existing conflict of interest policies (see [Procurement Policy Related Resources](#)). Schools and units must attach the completed VJF and back-up documentation in the Accounts Payable System. It is a best practice to use this form and follow the requirements listed in Appendix B of the Procurement Policy for all other fund types. Schools and units may have more restrictive vendor/supplier review requirements; contact your local Procurement or Finance Office for guidance.

All purchases made with Federal funds may be subject to a Federal audit at any time. All such purchases should be made prudently and are subject to fair and reasonable pricing. Internal documentation such as purchase orders, invoices, copies of competitive quotes or proposals, or cost/price analysis should be retained as justification of reasonable pricing for items >\$50,000. A justification for non-competitive bid/sole-source selection should also be retained. See the Procurement Policy and Procure-to-Pay Manual for additional information.

Order Thresholds

Complete required fields and upload into B2P

<input type="checkbox"/>		≤\$50,000 - Vendor Justification Form (VJF) not required. No further requirements. If purchasing supplies or services from the same vendor where the aggregate dollar amount exceeds \$50,000 then use this VJF based on the aggregate dollar amount. Check this box if the total purchase using federal or cost-share funds is <\$50,000 OR the individual line item(s) charged to federal or cost-share funds is <\$50,000 (even though the full purchase may be >\$50,000).
<input type="checkbox"/>		>\$50,000-\$250,000 (Select vendor and bid type below)
Purchaser must select appropriate box below and include documentation as noted below. <div style="margin-top: 10px;"> <input type="checkbox"/> Non-Competitive/Sole-Source/Single-Source purchase: Procurement through solicitation of a proposal from only one source, therefore not allowing vendor & price competition. Indicate bidder in Section A and complete sections B and C. </div> <div style="margin-top: 10px;"> <input type="checkbox"/> Competitive purchase/proposal: Same items priced differently by several vendors. Minimum of two written quotes/proposals required, three preferred. Retain copies of proposals/quotations in department files or upload into B2P & note PR number above for audit purposes. Complete Sections A & C. If only one proposal is received, indicate bidder & complete Sections A, B and C. Quotes may be formal requests for proposal, email correspondence with a vendor/supplier or screen shots of supplier pages showing pricing for the same item. </div>		
<input type="checkbox"/>	>\$250,000-\$750,000	If purchase is not sole-source, Purchaser <u>will conduct a formal competitive proposal process (RFP)</u> , obtain a minimum of 2 written proposals AND complete Sections A and C. Contact your local Finance or Procurement Office and refer to the Procure-to-Pay Manual for guidance. ²
<input type="checkbox"/>	>\$750,000	Contact your local Finance or Procurement Office for guidance.

² In some cases, a sole- or single-source supplier may be allowable at the >\$250,000 threshold; however, a cost analysis may be required. Purchasers must complete sections A, B, and C if non-competitive bid (sole or single source supplier).

SECTION A – Vendor Quotes

Retain copies of proposals/quotations in department files. Note PR number above

Competitive Proposal: *Minimum of two proposals required, three preferred.*

Contractor A: _____ Total Price: _____ Quote Contact: _____ Quote Date: _____

Contractor B: _____ Total Price: _____ Quote Contact: _____ Quote Date: _____

Contractor C: _____ Total Price: _____ Quote Contact: _____ Quote Date: _____

SECTION B – Non-Competitive/Sole-Source/Single-Source Proposals

Retain Vendor selection documentation in department files. See the Procure-to-Pay Manual for guidance.

If a noncompetitive purchase/proposal check one or more of the following boxes

☐ Item or service is available only from a single source.

Supply a brief description and explanation for reason vendor is unique (see [VJF sample language](#)):

☐ Public emergency procurement will not permit a delay in competitive solicitation.

☐ After solicitation of a number of sources, competition is determined inadequate.

☐ The Federal awarding agency or pass-through expressly authorizes noncompetitive proposals (must be documented).

☐ Continuity of existing research/work.

Supply a brief description (see [VJF sample language](#)):

SECTION C – Selection of Source and Price Reasonableness

Cost/ Price Analysis *Select one or more of the following statements to indicate that the bid price was fair and reasonable.*

☐ The quoted prices incorporate discounts not available to the general public & reflect substantial savings (e.g. Preferred Vendor or contract partnership agreements, negotiated pricing, etc.).

☐ The quoted prices compare favorably to previous prices paid for the same or similar items on Payment Req.: _____

☐ The quoted prices compare favorably to Harvard internal estimates (e.g. HUIT, UOS, etc.) for similar items.

☐ The quoted prices were reviewed as part of Harvard's overall proposal by the federal sponsoring agency & found to be acceptable.

☐ The contractor has stated that the quoted prices are no greater than those charged to the contractor's most favored customer.

☐ The price was obtained from a current catalogue or standard printed price list.

☐ Other (e.g., cost analysis for construction projects).

Department Authorization (Signature of the department buyer who initiated the purchase):

Signature _____ Date: _____ Email Address: _____

Name (please print): _____ Telephone Number: _____

NOTE: All individuals making purchases on behalf of Harvard must follow the conflict of interest standards outlined in [Appendix A](#) as well as any other of Harvard's existing conflict of interest policies (see [Procurement Policy Related Resources](#)).

Subrecipient vs Contractor

The terms vendor and contractor substantially have the same meaning and may be used interchangeably. For consistency purposes, when Harvard provides funds from a federal award to a non-federal entity, the non-federal entity receiving these funds is classified as a subrecipient/subcontract, negotiated by School's sponsored office, or a vendor/contractor based on the nature of the agreement and the criteria in 2 CFR §200.330.

Before entering into a relationship with another entity under a sponsored award in which the other entity will provide goods or services or substantive, programmatic work to Harvard as the prime recipient of funding, a determination must be made as to the nature of the legal relationship of Harvard and other entity, which in turn will determine the type of legal agreement required to document the relationship. This is a significant decision because it determines the allocation of responsibilities and influences the appropriate application of indirect cost rates.

See [Subrecipient vs Contractor Guidance on Appropriate Classification of Legal Relationship](#) for additional information.

Note: a contractor/vendor who may subcontract work is required to collect debarment certification from those additional subcontractors.

A subrecipient relationship is appropriate when:	A contractor/vendor relationship (including that of an individual acting as a vendor for consulting services) is appropriate when:
<ul style="list-style-type: none"> • Substantive, programmatic work or an important or significant portion of the research program or project is being undertaken by the other entity. • The research program or project is within the research objectives of the entity. • The entity participates in a creative way in designing and/or conducting the research. • The entity retains some element of programmatic control and discretion over how the work is carried out. • The entity commits to a good faith effort to complete the design or conduct of the research. • The entity makes independent decisions regarding how to implement the requested activities. • A principal investigator has been identified at the entity and functions as a "Co-Investigator." • There is the expectation that the entity will retain ownership rights in potentially patentable or copyrightable technology or products that it produces in the course of fulfilling its scope of work. • Publications may be created or co-authored at the entity. • The entity provides cost sharing or matching funds for which it is not reimbursed by Harvard. • The entity regards itself, and/or is regarded by Harvard, as "engaged in research" involving human subjects under the Common Rule and therefore requires approval for its interactions with human subjects. 	<ul style="list-style-type: none"> • The entity is providing specified services in support of the research program. • The entity has not significantly participated in the design of the research itself but is implementing the research plan of the Harvard investigator. • The entity is not directly responsible to the sponsor for the research or for determining research results. • The entity markets its services to a range of customers, including those in non-academic fields. • Little or no independent decision-making is involved in the design and conduct of the research work being completed. • The agreement only specifies the type of goods/services provided and the associated costs. • The entity commits to deliverable goods or services, which if not satisfactorily completed will result in nonpayment or requirement to redo deliverables. • The entity does not expect to have its employees or executives credited as co-authors on papers that emerge from the research. • The expectation is that the work will not result in patentable or copyrightable technology or products that would be owned by the entity. • In the case of an individual vendor of consulting services, the person has no employment relationship with Harvard, either academic or administrative in nature.

Sample Language

Vendor Justification/Price Verification Form (VJF)

EXAMPLE SECTION B

Key Elements for Sole-Source or non-competitive bids, as outlined in the Uniform Guidance, should include:

- Clear & accurate description of the technical requirements for the procurement
- An explanation noting how the contractor selected meets the defined technical requirements for the procurement
- Price justification

Sample explanation of a sole-source vendor:

Professor Smith and her research team have assessed their needs for a spectrometer and have determined that the piece of equipment needs to contain the following specs at minimum:

- Parallel angle and energy detection
- Kinetic energy ranges 0 - 10eV, 0 - 100eV, 0 - 400eV, 0 - 1500 eV, 0 - 3500eV
- High energy option up to 15kV
- Excellent energy and angular resolution
- Angular and spatial resolving modes
- 2D-DLD Detector
- THEMIS 600 / 1000 have 100 mm or 150 mm mounting flanges, respectively

Upon review of available spectrometers on the market, it has been determined that *Spectrometer, Inc.* is the only company that sells a spectrometer that meets the required specifications. A discontinued spectrometer of the same type offered by Meters R Us fell within the same price range of the spectrometer purchased OR a different spectrometer without the same resolution was priced within the same price range.

Sample explanation continuity of existing research/work:

Sample 1: Professor Jones has used VWR capillary tubes catalog no 75840-018 for the last 3 years of the NIH Cancer Research Project. These specific tubes fit the equipment used on the project (melting point apparatus, incubating shakers, clamps, etc.). A change to different tubes mid-way through the research may affect results and the tube sizes may not be compatible with the current equipment being used.

Sample 2: Professor Lilly has used Data Source Analysis to analyze data points for a NIH Lung Cancer Study. Data Source Analysis has been collecting, storing, and analyzing the data for the 20 years of the project. The data analysis parameters and statistical analysis tables are complex and have over 2 million data points. A change to different vendor mid-way through the research may affect analysis results and skew the data from the last 20 years.

OSP Subcontract

A Co-PI (at another Harvard school or external to Harvard) has a major programmatic research path as part of an overall NSF award reviewing changes in ocean levels and climate change. The Co-PI has a research budget of \$750,000 to review specific changes to the ice caps. The work on the ice caps will be incorporated into the overall NSF award. OSP has determined that because this work is substantive and a significant portion of the research, this would be a formally negotiated and signed OSP subcontract. This would not require a VJF since the subcontract agreement would contain all justifications required for the funding. If allowed in the subcontract and the Co-PI hires additional vendors, those vendors must meet VJF and Debarment requirements.

Sample No Preferred Vendor- Single Source

Order Thresholds	
<input type="checkbox"/>	≤\$50,000 - Vendor Justification Form (VJF) not required. No further requirements. If purchasing supplies or services from the same vendor where the aggregate dollar amount exceeds \$50,000 then use this VJF based on the aggregate dollar amount. Check this box if the total purchase using federal or cost-share funds is <\$50,000 OR the individual line item(s) charged to federal or cost-share funds is <\$50,000 (even though the full purchase may be >\$50,000).
<input type="checkbox"/>	>\$50,000-\$250,000 (Select vendor and bid type below)
Purchaser must select appropriate box below and include documentation as noted below.	
<input type="checkbox"/>	Non-Competitive/Sole-Source/Single-Source purchase: Procurement through solicitation of a proposal from only one source, therefore not allowing vendor & price competition. Indicate bidder in Section A and complete sections B and C.
<input type="checkbox"/>	Competitive purchase/proposal: Same items priced differently by several vendors. Minimum of two written quotes/proposals required, three preferred. Retain copies of proposals/quotation in department files or upload into B2P & note PR number above for audit purposes. Complete Sections A & C. If only one proposal is received, indicate bidder & complete Sections A, B and C. Quotes may be formal requests for proposal, email correspondence with a vendor/supplier or screen shots of supplier pages showing pricing for the same item.
<input checked="" type="checkbox"/>	>\$250,000-\$750,000 If purchase is not sole-source, Purchaser will conduct a formal competitive proposal process (RFP), obtain a minimum of 2 written proposals AND complete Sections A and C. Contact your local Finance or Procurement Office and refer to the Procure-to-Pay Manual for guidance. ¹
<input type="checkbox"/>	>\$750,000 Contact your local Finance or Procurement Office for guidance.

SECTION A – Vendor Quotes			
Competitive Proposal: Minimum of two proposals required, three preferred.			
Contractor A: <u>Spectrometer, Inc.</u>	Total Price: <u>295,000.00</u>	Quote Contact: <u>J. Smith/Joe Schmo</u>	Quote Date: <u>05/10/2023</u>
Contractor B: _____	Total Price: _____	Quote Contact: _____	Quote Date: _____
Contractor C: _____	Total Price: _____	Quote Contact: _____	Quote Date: _____

SECTION B – Non-Competitive/Sole-Source/Single-Source Proposals	
If a noncompetitive purchase/proposal check one or more of the following boxes	
<input checked="" type="checkbox"/> Item or service is available only from a single source.	
<div style="border: 1px solid black; padding: 5px;"> Supply a brief description and explanation for reason vendor is unique (see VJF sample language): <i>Required spectrometer with following specs: parallel angle and energy detection, kinetic energy ranges 0-10eV, 10-100eV, 10-400eV, 0-3500eV, high energy option up to 15KV, excellent energy and angular resolution., Angular and spatial resolve modes, 2D-DLD detector Themis 500/1000 have 100 mm or 150 mm mounting Spectrometer is the only company that meets the required specs.</i> </div>	
<input type="checkbox"/> Public emergency procurement will not permit a delay in competitive solicitation.	
<input type="checkbox"/> After solicitation of a number of sources, competition is determined inadequate.	
<input type="checkbox"/> The Federal awarding agency or pass-through expressly authorizes noncompetitive proposals (must be documented).	
<input type="checkbox"/> Continuity of existing research/work.	
<div style="border: 1px solid black; padding: 5px;"> Supply a brief description (see VJF sample language): </div>	

SECTION C – Selection of Source and Price Reasonableness	
Cost/ Price Analysis Select one or more of the following statements to indicate that the bid price was fair and reasonable.	
<input type="checkbox"/>	The quoted prices incorporate discounts not available to the general public & reflect substantial savings (e.g. Preferred Vendor or contract partnership agreements, negotiated pricing, etc.).
<input type="checkbox"/>	The quoted prices compare favorably to previous prices paid for the same or similar items on Payment Req.: _____
<input type="checkbox"/>	The quoted prices compare favorably to Harvard internal estimates (e.g. HUIT, UOS, etc.) for similar items.
<input type="checkbox"/>	The quoted prices were reviewed as part of Harvard's overall proposal by the federal sponsoring agency & found to be acceptable.
<input type="checkbox"/>	The contractor has stated that the quoted prices are no greater than those charged to the contractor's most favored customer.
<input type="checkbox"/>	The price was obtained from a current catalogue or standard printed price list.
<input checked="" type="checkbox"/>	Other (e.g., cost analysis for construction projects) <u>Spectrometer, Inc. is the only company that sells a spectrometer that meets the required specs. A discontinued model of the same type offered by Meters R Us fell within the same price range of the item purchased or a different spectrometer without the same resolution was priced within the same price range.</u>
Department Authorization (Signature of the department buyer who initiated the purchase):	
Signature: _____	Date: _____ Email Address: _____
Name (please print): _____	Telephone Number: _____
NOTE: All individuals making purchases on behalf of Harvard must follow the conflict of interest standards outlined in Appendix A as well as any other of Harvard's existing conflict of interest policies (see Procurement Policy Related Resources).	