



<b>Section:</b>	II.3.66	
<b>Title:</b>	Procurement Operating Policy	
<b>Effective Date:</b>	August 1, 2021	
<b>Approved By:</b>	Office of Academic Affairs and the Treasurer	
<b>Responsible Unit:</b>	Policy – Finance & Business Services – Post-Award Grants, Office of the Treasurer – (609) 771-2186 Procurement – Office of Finance and Business Services (609) 771-2495; <a href="mailto:budfin@tcnj.edu">budfin@tcnj.edu</a>	
<b>Related Documents:</b>	<ul style="list-style-type: none"> <li>• Allowable Costs Operating Policy</li> <li>• Direct Charging Operating Policy</li> <li>• Grant Funded Support Policy</li> <li>• Purchasing Forms at <a href="http://finance.tcnj.edu/forms/">http://finance.tcnj.edu/forms/</a></li> </ul>	
<b>History:</b>		
<u>Version</u>	<u>Date</u>	<u>Notes</u>
3.0	August 1, 2021	Revised
2.0	September 27, 2019	Revised
1.0	June 22, 2015	New Policy; initial release

## I. INTRODUCTION

This operating policy describes the process used by the College to ensure that goods and services charged, or cost shared to sponsored awards are reasonable, competitively procured, and in compliance with federal and State of New Jersey purchasing requirements.

## II. DEFINITIONS

Simplified Acquisition Threshold (SAT): Dollar amount below which a non-Federal entity may purchase supplies or services using small purchase methods (Uniform Guidance 2 CFR § 200.88).

Micro-Purchase: Small purchase of supplies or services that does not exceed the SAT and must be considered reasonable (Uniform Guidance 2 CFR § 200.320).

Small Purchase: Purchases above the micro-purchase threshold but below the SAT (Uniform Guidance 2 CFR § 200.320).

Sealed Bids: Publicly solicited and used for purchases greater than the SAT (Uniform Guidance 2 CFR § 200.320).

Competitive Proposals: Open, publicly solicited and used for purchases greater than the SAT (Uniform Guidance 2 CFR § 200.320).

Sole Source: A procured item or service is only available from a single source, during a public emergency, approved by federal agency or when competition is deemed inadequate after solicitation from several sources (Uniform Guidance CFR § 200.320).

### **III. POLICY OVERVIEW**

It is the policy of The College of New Jersey (TCNJ or the College) to procure goods and services used for sponsored projects in accordance with the Office of Management & Budget (OMB) Code of Federal Regulations *Part 200 —Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”), State of New Jersey regulations, sponsor policies, and award terms and conditions. This Operating Policy ensures that the College’s goods and services charged, or cost shared to sponsored awards are reasonable, competitively procured, and in compliance with federal and State of New Jersey purchasing requirements.

#### **Reason for Policy**

As a recipient of federal and state funding, TCNJ is required to procure goods and services for sponsored projects in a manner compliant with federal regulations. Failure to adhere to federal regulations set forth in the OMB Uniform Guidance, other sponsored funding regulations, and the provisions of this Operating Policy may result in the College’s sponsors, or other government agencies, disallowing costs or imposing other sanctions.

#### **General Procurement Standards:**

TCNJ’s procurement procedures conform to the State College Contracts Law (N.J.S.A 18A:64-52 et seq.). The College’s procurement procedures, as detailed on the Office of Finance and Business Services webpage, comply with the general procurement standards set forth in Uniform Guidance §200.318 and §200.320. Finance and Business Services – Post-Award Grants within the Office of the Treasurer must monitor changes to federal requirements and the College policies and procedures to ensure the College maintains compliance with federal requirements.

The Uniform Guidance requires written standards of conduct addressing conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. The College’s ethics regulations found on the Office of the General Counsel webpage (<https://ethics.pages.tcnj.edu/statutesregulations/>) apply to conflicts of

interest and other ethical matters related to the procurement of goods and services.

The College makes every effort to avoid the acquisition of unnecessary or duplicative items and is encouraged to purchase goods and services under contracts awarded by the State of New Jersey or federal government, where appropriate. Links to the State and federal contracts are provided on the Office of Finance and Business Services webpage (<http://finance.tcnj.edu/purchasing/purchasing-guidelines/>).

The federal procurement requirements emphasize full and open competition in all procurement transactions. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for contracts involving such procurements. Some situations considered to be restrictive of competition include, but are not limited to:

- Unreasonable requirements placed on firms for them to qualify to do business;
- Unnecessary requirements for experience and excessing bonding;
- Noncompetitive pricing practices between firms or affiliated companies;
- Noncompetitive contracts to consultants that are on retainer;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing an “equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

The College cannot prohibit the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in cases where applicable federal statutes expressly mandate or encourage geographical preference.

TCNJ’s written procurement procedures must ensure all solicitations meet the requirements of Uniform Guidance §200.319(c), specifically the non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to make a clear and

accurate description of the technical requirements, a “brand name or equivalent” description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The Principal Investigator is responsible for ensuring all sponsored project and cost shared purchases comply with the College’s procurement and ethics policies and procedures.

### **Methods of Procurement:**

The Uniform Guidance specifies three (3) prescriptive procurement methods, one of which must be followed for each purchase of a good or service on a sponsored project. These include: (1) Informal (e.g., micro-purchase, small purchase); (2) formal (e.g., sealed bids, competitive proposals) and (3) Non-Competitive (sole source).

Micro-purchases are below \$10,000 and do not require quotations but equitable distributions among vendors is expected. Small purchases require appropriate documentation of purchase and quotes must be obtained from multiple sources.

All sealed bids and competitive proposals above the SAT must be publicly solicited and awarded to the bidder with the lowest price. Sole source bids require a formal approval process to review and approve both purchase types.

All procurements of professional services must have a completed Independent Contractor Request Form and should have a contract executed prior to the commencement of the work.

All sponsored project procurement transactions must follow the College’s procurement policies and procedures for all purchases of goods and services charged or cost shared to sponsored projects. Compliance with procurement requirements is monitored by the Office of the Treasurer.

### **Prior Approval:**

Items requiring prior approval from the sponsor as dictated by §200.407 of the Uniform Guidance or the sponsored project agreement must have the approval of the sponsor before the procurement is initiated. These may include but are not limited to capital purchases, sub-awards, travel, and equipment (See also *Allowable Costs Operating Policy*).

All computer hardware and software purchased with grant funds must comply with College policy X.3.9 *Grant Funded Support* found in the online TCNJ Policy Manual at:  
<http://policies.tcnj.edu/policies/digest.php?docId=8240>.

**Prohibition on Certain Telecommunications and Video Surveillance:**

As dictated by §200.216 of the Uniform Guidance, the College is prohibited from using government funds to enter into contracts (or extend or renew contracts) with entities that use covered technology.

Covered technology includes video surveillance and telecommunications equipment produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

It is the Principal Investigator’s responsibility to be familiar with these requirements and apply them to sponsored award-based purchases.

**Domestic Preferences for Procurement:**

As dictated by §200.322 of the Uniform Guidance, the College should provide a preference, to the extent permitted by law and practicable, for the purchase, acquisition, or use of goods, products, or materials produced in the United States. The requirement is also to be included in all subawards contracts for sponsored projects.

It is the Principal Investigator’s responsibility to be familiar with these requirements and apply them to sponsored award-based purchases.

**Other Considerations:**

TCNJ must make procurement documents available upon request by the federal awarding agency or pass-through entity, OGS, and/or Finance and Business Services – Post-Award Grants.

The College’s contracts for sponsored projects must contain the applicable provisions in *Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards*.

If the sponsored project proposal or agreement specify a vendor, consultant, or good to be used for the project, the PI must follow the College’s procurement policies and procedures to select the specified vendor, consultant, or good prior to including them in the proposal or agreement, and documentation of the selection must be retained by the PI. If the sponsor requires the use of a particular vendor, consultant, or good, documentation supporting such requirement must be included with the procurement documents.

Any questions regarding the procurement requirements or procedures should be forwarded to the purchasing department within the Office of the Treasurer.

## **Procedure**

### **I. PROCEDURE OVERVIEW**

- PI, with the assistance of OGSR, identifies purchases required to complete the project and includes these items in the proposal.
- PI procures goods and services in compliance with the College procurement and ethics policies and procedures, as well as with applicable regulations and award terms and conditions, and retains documentation for each purchase.
- TCNJ's Purchasing Department reviews procurement transactions in accordance with College policies and procedures, monitors compliance with the procurement policies and procedures, and ensures contracts for sponsored projects contain the applicable provisions from *Uniform Guidance Appendix II to Part 200*. The purchasing department will follow up with the PI regarding any questions or improprieties identified.
- Finance and Business Services – Post-Award Grants performs high-level reasonableness reviews of purchases when preparing and approving financial reports and invoices.

### **II. ROLES AND RESPONSIBILITIES**

**Principal Investigators** – Responsible for:

- Obtaining prior approval from the sponsor before initiating the purchase, if applicable.
- Ensuring compliance with the College procurement and ethics policies and procedures and retaining documentation of purchases.
- Responding to internal or external inquiries regarding purchases.
- Obtaining necessary quotes and coordinating with TCNJ's Purchasing Department, as necessary.
- Maintaining familiarity and compliance with guidelines outlined in federal and state regulations as well as this operating policy.

**Project Administrative Support Staff** – Responsible for:

- Assisting PIs in the procurement process and document retention.
- Responding to internal or external inquiries regarding purchases.
- Assisting PIs in obtaining necessary quotes and coordinating with TCNJ's Purchasing Department, as necessary
- Supporting PI in ensuring compliance with the College procurement and ethics policies and procedures and retaining documentation of purchases.
- Supporting PI in maintaining familiarity and compliance with guidelines outlined in federal and state regulations as well as this operating policy.

**Dean/Department Chair/Vice President** – Responsible for:

- Reviewing and approving procurement transactions based on purchase dollar threshold and monitoring compliance with the College's procurement policies and procedures.

**Office of Grants and Sponsored Research** – Responsible for:

- Assisting PIs in identifying purchases that require prior approval and in obtaining prior approval from the sponsor.
- Identifying potential restrictions regarding procurement / contracting with any foreign entities during proposal phase.

**Finance & Business Services (FBS) – Post-Award Grants, Office of the Treasurer** – Responsible for:

- Monitoring changes to federal and College procurement regulations and policies and amending College policies and procedures as necessary to ensure compliance with federal regulations.
- Reviewing procurement transactions and monitoring compliance with the College's procurement policies and procedures.
- Performing high-level reasonableness reviews of sponsored project purchases when preparing and approving financial reports and invoices.
- Contacting the PI regarding questionable or inappropriate procurement actions.

- Answering questions regarding procurement requirements and procedure.

**Purchasing** – Responsible for:

- Reviewing procurement transactions and monitoring compliance with the College's procurement policies and procedures.
- Supporting department in obtaining necessary quotes for purchased goods and services.