Procurement Policy Brown Bag Session
January 2021 Changes and Refresher

Office of the Controller

Karen Kittredge, OC, Manager Policy and Business Process
Christyne Anderson, OSP, Manager Training and Compliance
Teresa Frost, SP, Buy-to-Pay (B2P) Program Manager
Procurement Policy

Harvard University requires that faculty, staff, researchers, and students 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.

This policy was implemented July 1, 2018 and in addition to detailing requirements and best practices for all funding sources, includes specific requirements that comply with Federal Uniform Guidance (UG) requirements. Updates around federal spending debarment requirements was made in April 2020 and new federal purchase thresholds will go into affect on January 1, 2021.

Key elements of the procurement policy include:

• Conflicts of interest in procurement
• Setting thresholds and processes for each procurement method
• Reducing waste by avoiding duplication, considering lease versus buy, using surplus
• Maintaining documentation
• Encourage competition whenever possible, and working with responsible contractors
Key Elements of Procurement Policy and Related Resources

Procurement Policy – Revised effective 1/1/2021

- Conflict of Interest Standards
- Special Purchases
- Use of Harvard Preferred Vendors (list found at Strategic Procurement website)
- Tax Exemptions
- Required Practices for Purchases with Federal Funds, Including
  - Vendor Justification Form (VJF)
  - Debarment Form
- Best Practices for all Purchases, Including
  - Small and Small Disadvantaged Business
  - Wasteful or Duplicate Purchases
  - Record Retention
Procurement Policy Changes - Highlights

• **New Procurement Thresholds and Processes** – Effective January 1, 2021, higher procurement thresholds, reducing formal proposal process requirements.

• **Harvard Preferred Vendors** – Require two or more quotes on federal funds for purchases >$50,000.

  Purchases over $50,000 on federal or cost-share funds require a completed Vendor Justification Form (VJF) even when using a Preferred Vendor.

• **Updated Vendor Justification Form (VJF)** – clearer and easier to use with examples. Schools must upload a completed VJF into the Buy-to-Pay (B2P) System for any federal or cost-share purchases over $50,000 or select appropriate drop-down explanation if no VJF is required.

• **Changes to Debarment Form Requirements** – Debarment forms required only for purchases made with federal contracts, fixed price contracts, or cost-share accounts of $35,000 or more.

• **Updated Procure-to-Pay Manual** – updated manual will include guidelines regarding the proposal processes and contract template language.

• **Record Retention** - The Buy-to-Pay System (B2P) will retain all materials uploaded into the system indefinitely. This includes the complete Buy-to-Pay 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.
Conflicts of Interest in Procurement

All individuals conducting purchasing activities on behalf of Harvard University must avoid conflicts of interest in their purchasing decisions. The Procurement Policy outlines specific conflicts of interest.

Included in the Conflicts of Interest are:

- Avoid the intent, appearance, and conduct of unethical or compromising practice in relationships, actions, and communications.
- Follow the applicable laws, policies and procedures.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of Harvard University.
- Avoid procuring goods or services from a vendor who participated in advising, developing or drafting the request for proposals or bidding criteria.
- Refrain from soliciting or accepting money or prejudicial discounts (e.g., acceptance of material gifts or entertainment, or favors or services from present or potential suppliers).
- Handle information of a confidential or proprietary nature appropriately.
- Promote positive supplier relationships.
- Do not use Harvard University systems or funds for personal purchases or use Harvard-negotiated agreements for personal benefit.*

If an individual believes that they may have a conflict of interest, they 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.

* See SP Personal Discounts for Harvard-negotiated personal discounts.
Special Purchases

Certain purchases carry additional restrictions per Harvard policy. Please refer to University and local tab 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** (e.g., thresholds, gift certificates)
- **Firearms – Prohibited by Massachusetts General Law**
- **Human Subjects** (IRB approval and processing payments)
- **Independent Contractor Policy**
- **Radioactive Materials**
- **Select Agents**
- **University Purchasing Card Policy**
- **University Staff Mobile Phone Policy**
- **University Travel Policy** (e.g., first class and business class, meal thresholds, etc.)
## Use Preferred Vendors When Possible

Harvard Preferred Vendors 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.

- Strategic Procurement (SP) has identified vendors which meet [Preferred Vendor](#) requirements.
- SP is the only office which may flag a vendor as a Preferred Vendor in Buy-to-Pay. 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.
- **A Vendor Justification Form (VJF) is required for any purchases >$50,000 when using federal or cost-share funds even when using a Preferred Vendor. A Preferred Vendor may be used as one of the quotes when completing a VJF.**

### Purchase Type | List May be Found at:
--- | ---
Travel | All vendors on Harvard’s [Travel and Reimbursements](#) site are Preferred Vendors
Goods and Services | The B2P homepage has a link to the SP [Preferred Vendor](#) list in the Supplier Tools quick links. In B2P, Preferred Vendors are identified with 🌐
  - To search for Preferred Vendors: Goto Suppliers – Manage Suppliers – Search for a Supplier – under Advanced Search select Class, and select Preferred Vendor.
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.
Tax Exemptions

The University, as a nonprofit educational institution, is exempt from sales and use tax in Massachusetts and in many other states. Since sales tax is generally imposed when goods are purchased and consumed in the same state, sales tax does not apply when goods are purchased from an out-of-state vendor and shipped to Harvard.

• **In no case may Harvard’s tax exempt certificates be used for personal purchases.**

• **When using federal, cost-share or transferring expenses onto federal or cost-share funds,** if the purchaser fails to use Harvard’s tax exempt status where allowed, the taxes **may not** be charged to the federal award. The taxes **must be** charged to non-federal funds using object code 8450. If Harvard is required to pay the taxes then the tax may be charged to the federal award.

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

• See [Strategic Procurement Tax Forms](#) for more information.
Procurement Policy – Federal Funds

When directly charging federal funds (fund ranges 100000-199999) or cost-share commitments or intending to journal expenses to federal funds, follow these UG expectations:

- Encourage competition whenever possible.
- Consider small and disadvantaged businesses.
  - For each contract of $700,000 and over, a Subcontracting Plan for Small and Small Disadvantaged Businesses is required, unless other arrangements are made during contract award.
- Avoid duplication, where possible, consider lease versus buy, use surplus
- Follow contract threshold and process requirements including maintaining all back-up documentation.
  - Vendor Justification Form (VJF) – Required for any purchase over $50,000 made with federal funds or cost-share funds.
  - Suspension & Debarment Form – Required for purchases made with federal contract, fixed price contracts, or cost-share accounts of $35,000 or more.
- Retain records as appropriate - 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. These can be uploaded into the B2P System.

Procurement Training 12/08/20
# When is a Vendor Justification Form (VJF) or Debarment Form Needed?

<table>
<thead>
<tr>
<th>Grants and Cooperative Agreements</th>
<th>Contracts</th>
<th>Other Funding Mechanisms (OTAs, Other)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VJF Required</strong>&lt;br&gt;The VJF is a form used to justify sole source selection and cost or price analysis.</td>
<td><strong>Form Required &gt;$50K</strong>&lt;br&gt;In B2P&lt;br&gt;For all Fed purchases &gt;$50K, email is sent to requestor if VJF drop down is not selected. VJF drop down must be selected to proceed in the B2P workflow.</td>
<td><strong>Form Required &gt;$50K</strong>&lt;br&gt;In B2P&lt;br&gt;For all Fed purchases &gt;$50K, email is sent to requestor if VJF drop down is not selected. VJF drop down must be selected to proceed in the B2P workflow.</td>
</tr>
<tr>
<td><strong>Debarment Form Required</strong>&lt;br&gt;A form that allows Harvard to obtain written certification from vendors that they have not been debarred (prohibited) from doing business with the federal government.</td>
<td><strong>No Form but Action Required</strong>&lt;br&gt;In B2P&lt;br&gt;No form required since certification is covered through Visual Compliance check, but debarment drop down must be selected to proceed in the B2P workflow.</td>
<td><strong>Form Required ≥$35K</strong>&lt;br&gt;In B2P&lt;br&gt;For contract purchases ≥$35K&lt;br&gt;Email is sent to requestor if debarment drop down not selected. Drop down must be selected to proceed in the B2P workflow.</td>
</tr>
</tbody>
</table>

Based on Terms & Conditions of award. If award is subject to Federal Acquisition Regulations (FAR), debarment form is required for purchases ≥$35K. Drop down must be selected to proceed in the B2P workflow.

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**see [video](#) and [job aid](#) to determine funding mechanisms for awards**

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**HARVARD**

Financial Administration
Suspension and Debarment Form

Federal awards require a Harvard review to ensure a supplier is not suspended or debarred from working with a federal agency. If a supplier is debarred or suspended or if there is no evidence that that Harvard confirmed that they were not debarred or suspended at the time of the purchase or financial commitment, expenses cannot be charged to federal funds, cost-share funds, or expenses to be journaled onto federal or cost-share funds.

**Grants/Cooperative Agreements:** Federal Awards that have been classified as a grant or cooperative agreement do not require additional debarment documentation due to daily, automatic reviews completed by Visual Compliance in Harvard’s Supplier Portal.

**Contracts:** 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.

- The additional documentation can be in the form of a signed Debarment Form or be included as language in the signed contract.

Schools and units must review their payments and journals to confirm any debarment language or attestations are included as needed. The Office for Sponsored Programs will also monitor purchase orders and journals on federal contracts on a monthly basis. Any awards or cost-share funds that require but do not have debarment information on file, cannot be charged to a federal award or cost-share funds.

Federal funding classifications can be found under the "funding instrument" column in the HART Grants Management Segments Report, the first page of an action memo, and the top of a segment homepage in GMAS. See Finding the Funding Instrument for Sponsored Awards.
Finding Federal Classification Type

Federal funding classifications can be found under the "funding instrument" column in the HART Grants Management Segments Report, the first page of an action memo, and the top of a segment homepage in GMAS. See Finding the Funding Instrument for Sponsored Awards.

Schools and units must review their payments and journals to confirm any debarment language or attestations are included as needed.

The Funding Instrument can be found in the information toward the top of each GMAS Action Memo.
Harvard Analytics and Reporting Tool (HART)

1. The grant classification type can be found running a HART Segment Report. Under the Grants Management Dashboard select Segments.

2. Select the “Segment Information” tab.

3. 
   1. Select your tub
   2. Select “all column values”
   4. Select “Basic Research and all other”
   Select “Apply”

4. When report is completed, download to Excel and filter on funding instrument for “Contract” and “Fixed Price Contract.”
GMAS Segment Homepage

1. Look-up the fund number in GMAS to populate the segment homepage.
2. Once you are in the segment homepage, scroll to the right and select “More details”.
3. When you select “More details”, the header will expand to show additional information about the project including the Funding Instrument.
Thresholds for Federal Funds

Thresholds and processes for each procurement method

- Maintain documentation, work with responsible contractors
- **Vendor Justification Form (VJF)** – Required for any purchase over $50,000 made with federal funds or cost-share funds.
- **Suspension & Debarment Form** – Required with payment request for any purchase ≥ $35,000 made with federal funds or cost-share funds on federal contracts of fixed price contracts.

<table>
<thead>
<tr>
<th>Procurement Requirement</th>
<th>Threshold</th>
<th>Documentation Required for Federal, Cost-Share, or Expenses moved to Federal Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Purchase</td>
<td>≤$50K</td>
<td>• No additional documentation requirements&lt;br&gt;• Use of Preferred Vendors encouraged</td>
</tr>
<tr>
<td>Small Purchases</td>
<td>&gt;$50K-250K</td>
<td>• Two or more quotes (even if using a Preferred Vendor)&lt;br&gt;• Complete and upload VJF into B2P&lt;br&gt;• Complete and upload Suspension &amp; debarment form (if ≥$35K on federal contracts or fixed price contracts)</td>
</tr>
<tr>
<td>Large Purchases</td>
<td>&gt;$250K</td>
<td>• Formal bid process (posting, review, selection)&lt;br&gt;• Sealed (construction) or Competitive Bids&lt;br&gt;• Complete and upload VJF into B2P&lt;br&gt;• Documentation on how/why vendor selected&lt;br&gt;• Cost and Price Analysis&lt;br&gt;• Complete and upload Debarment Form if required</td>
</tr>
</tbody>
</table>
# Summary of Purchasing Procedures for Standard Purchases

*(Excluding Special Purchases)*

Schools or Units may have more restrictive requirements; consult your Finance Office for guidance.

<table>
<thead>
<tr>
<th>Threshold(a)</th>
<th>REQUIRED for Federal Funds (100000-199999)</th>
<th>Cost-Share Funds or Expenses Journaled onto Federal Funds</th>
<th>BEST PRACTICE for Non-Federal Funds (all other funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-$50,000</td>
<td>University recognized Preferred Vendors are encouraged</td>
<td>Visual Compliance monitors debarred suppliers on a daily basis</td>
<td>University recognized Preferred Vendors are encouraged</td>
</tr>
<tr>
<td>Micro Purchase</td>
<td>Purchases should be distributed equitably among qualified suppliers to the extent practical</td>
<td>No self-approval is allowed on federal funds</td>
<td>Purchases should be distributed equitably among qualified suppliers to the extent practical</td>
</tr>
<tr>
<td>≥$35,000</td>
<td>For contract or fixed price 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</td>
<td>Not Applicable</td>
<td></td>
</tr>
<tr>
<td>≥$50,000-$250,000</td>
<td>Complete and Upload VJF in B2P</td>
<td>A minimum of 2 but recommend 3 written quotes (email is allowable) is required if purchase is not a single or sole source purchase</td>
<td>University recognized Preferred Vendors are encouraged, OR</td>
</tr>
<tr>
<td>Small Purchase</td>
<td>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</td>
<td>Should obtain a minimum of 2 but recommend 3 written quotes (email is allowable)</td>
<td>Payments ≥ $250,000 require electronic approval of Tub Financial Dean or Designee</td>
</tr>
<tr>
<td>&gt;$250,000-$699,999(b)</td>
<td>Same as above, AND</td>
<td>If a competitive proposal:</td>
<td>Same as above, AND</td>
</tr>
<tr>
<td>Simplified Acquisition Threshold (SAT)</td>
<td>If a competitive proposal:</td>
<td>o 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 one of the factors. Sealed bids must select the vendor that meets the requirements &amp; has the lowest bid</td>
<td>Should obtain a minimum of 2 but recommend 3 written quotes (email is allowable).</td>
</tr>
<tr>
<td></td>
<td>o Purchaser must complete sections A &amp; C on the VJF.</td>
<td>o Purchaser must complete sections A, B &amp; C of the VJF.</td>
<td>Payments ≥ $250,000 require electronic approval of Tub Financial Dean or Designee</td>
</tr>
<tr>
<td>≥$700,000+ ($1.5M for construction)</td>
<td>Same as above, AND</td>
<td>Purchaser must develop minority vending goals &amp; complete Individual Subcontractor Reports (ISR) &amp; Summary Subcontract Reports (SSR) &amp; submit subcontracting plan if required by RFP</td>
<td>Same as above</td>
</tr>
</tbody>
</table>

(a) | (b)
Example Vendor Justification Form

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### SECTION A – Vendor Quotes

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Price</th>
<th>Quote Contact</th>
<th>Quote Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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### SECTION B – Non-Competitive Bid/Sole Source/Single Source

- Retain Vendors selection documentation in department files.

- If a non-competitive purchase/bid check one or more of the following boxes:
  - Item or service is available only from a single source.
  - 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 authorize non-competitive proposals must be documented.
  - Continuity of existing research/work.

Supply a brief description and explanation for reason vendor is unique (see VIF examples):

- 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 Request.
  - The quoted prices compare favorably to Harvard internal estimates (e.g., HUFT, 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).

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**HARVARD UNIVERSITY**

**VENDOR JUSTIFICATION/PRICE VERIFICATION FORM (VIF)**

A vendor is a supplier providing goods or services to Harvard. Harvard uses the term "vendor" and "suppliers" interchangeably with the term "contractor."

**Requisition/PO/PRN (if known):**

**Date:**

**Supplier:**

**TUB AND ORG NAME:**

<table>
<thead>
<tr>
<th>Tub</th>
<th>Org</th>
<th>Obj</th>
<th>Fund</th>
<th>Activity</th>
<th>Subject</th>
<th>Root</th>
</tr>
</thead>
</table>

**Purchased with:**
- [ ] Federal Funds (10000-19999)
- [ ] Cost-Share Funds
- [ ] All Other Fund Types

**Note:** A subcontract formally negotiated and signed by OSP or DII does not require a VIF

Harvard University requires vendor/supplier justification and price verification for orders ≥ $50,000 purchased with Federal funds (10000-19999 fund range). Purchases made with cost-share funds or journalized 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 VIF and backup 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 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

- If ≥$50,000 - Vendor Justification Form (VIF) is required. No further requirements. Use of Preferred Vendors is encouraged.
- If purchasing supplies or services from the same vendor where the aggregate dollar amount exceeds $50,000 then use this VIF 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).
- If ≥$30,000-250,000 (Vendor and bid type below).

Purchaser must select appropriate box below and include documentation as noted below.

- Non-Competitive/Sole Source/Single Source purchase/proposal: 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.
- Competitive purchase/proposal: Items priced differently by several vendors. Minimum of two written quotes/bids required, three preferred. Refer copies of bids/quotations in department files or upload into B2P & note PR number above for audits purposes. Complete Sections A & B & C. If only one bid 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.
- If purchase is not sole-source, Purchaser will conduct a formal competitive proposal process (RFP), obtain a minimum of 2 written bids and complete Sections A and C. Contact your local Finance or Procurement Office and refer to the Procure-to-Pay Manual for guidance.
- If ≤$250,000-699,999.
- If ≥$700,000, Contact your local Finance or Procurement Office for guidance.
The VJF and drop down must be completed for any federal funds >50,000.

1 - Yes - Attach VJF – Required for all Suppliers for Federal Purchases >$50,000
2 - Not Required – Federal Requisition Line Amount or Total Cumulative Order ≤$50,000
3 - Not Required - Billing Agreement Negotiated by School’s Sponsored Office
4 - Not Required - Subcontract/Subrecipient Invoice Negotiated by School’s Sponsored Office
5 – Not Required – Refund Payment
Proposed Changes to Debarment Drop Down

For contract or fixed price contract purchases ≥ $35,000 subject to Federal Acquisition Regulations, purchaser must obtain a signed Debarment Certification Form or include debarment language in the contract before Harvard makes a purchase commitment.

The drop down must be completed for purchases on any federal funds ≥$35,000.

<table>
<thead>
<tr>
<th>Internal Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICQ Support Documentation Attached</td>
</tr>
<tr>
<td>Vendor Justification Form Provided</td>
</tr>
<tr>
<td>Debarment Form Provided</td>
</tr>
</tbody>
</table>

1 - Yes – For Federal Contracts ≥ $35,000 (Fixed Price & Cost Reimbursable)
2 - Not applicable - Funding is Grant or Cooperative Agreement or not subject to FAR
3 - Not applicable – Debarment Language included in Already Negotiated Agreement
4 - Not Required – Refund Payment
A transaction will be returned to the B2P requestor for the following:

1) Purchases ≥$35,000 which have a costing string between 100000-199999 which did not have the debarment drop down section completed.

2) Purchases >$50,000 which have costing string between 100000-199999 which did not have the VJF drop down section completed.

The sample emails will be updated on or around 1/1/21 to include changes to the language.
Procurement Policy – Non-Federal Funds

When using non-federal funds, these UG guidelines should be applied as best-practices:

- Encourage competition whenever possible.
- Consider small and disadvantaged businesses.
- Avoid duplication, consider lease versus buy, use surplus
  - See if there are opportunities to take advantage of local resources and other Harvard resources. See examples under federal fund guidelines.
- Follow best practices for contract threshold and processes requirements.
- Retain records as appropriate - departments are encouraged to follow the same records retention procedures as for purchases with federally-sponsored funds.

Schools or Units may have more restrictive requirements regarding approval thresholds and contract requirements; contact your Finance Office for guidance.
• If retaining an individual (single-employee companies which may be a sole proprietor, unincorporated, incorporated, or a limited liability company (LLC)) for services, be sure the individual is properly classified as either an employee or an independent contractor before the work is started. See Independent Contractor Policy.

• Follow opportunities to use diverse vendors
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. Resources for minority and women owned businesses and small business enterprises may be found at the Supplier Diversity Programs website.

• Environmentally preferred products
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. See Sustainable Purchasing Guidelines
Procurement Policy – Other Best Practices for All Funds

• Take advantage of the Buy-to-Pay **Total Contract Management Tool** (TCM)
  TCM allows Contract Managers (CMs) to manage each phase of contract development. Key features include a centrally managed and supported contract repository, budget and spend tracking, guided contract authoring, templates and clause libraries, and automated review and approval workflows that help to reduce risk and increase compliance.
  Note: Any Buy-to-Pay user can search the contract repository; contract manager role not required just to search.

• Take advantage of the **Contract Management Team Training**
  General training on how to contract with vendors. Covers general legal concepts, Harvard-specific policies and concerns, and how to use Harvard contracts templates or work with vendor documents. [Click here](#) for a list of upcoming classes and to sign up.

• Use a contract template or template language found on the OGC or Strategic Procurement’s website.

• Follow your school or unit’s contract signature hierarchy.

• Follow B2P’s approval hierarchy
  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.
The Buy-to-Pay system will retain all materials uploaded into the system indefinitely. This includes the complete Buy-to-Pay 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.).
Responsibilities of Purchasers, Preparers and Approvers (ROPPA)

• Individuals who spend funds or who prepare or authorize expenditures on behalf of the University have a stewardship responsibility to ensure those transactions are reasonable, appropriate, and have a proper University business purpose.

• These responsibilities apply to users of all financial systems and mechanisms where money leaves the University (B2P, PCard, Corporate Card, Concur, etc.)

• All new staff and postdocs who hold the role of requestor, preparer, delegate, or approver in B2P, Concur, and PCard are required to take an on-line ROPPA training course.

• See the ROPPA Policy
Question and Answer

Q1: Do you know where to go to determine whether your award is a contract, grant or other funding mechanism?
A: Resources to help determine whether your award funding mechanism can be found on the OSP website under Policies and Guidance, Procurement. There is a video tutorial and job aid that walks you through how to find this information in HART and GMAS. The award funding type will determine when a debarment form or VJF is required.

Q2: If I’m paying the same vendor for a purchase on a federal contract that in total will cost $55,000, but we are paying $5,000 a month for 11 months, do I still need a Debarment form and VJF?
A: Yes and yes. A VJF is required since the total amount is over $50,000. If you are paying on federal contract funds, because the amount is ≥$35,000 a debarment form or debarment language must appear in the contract. The debarment form is required at the time of the funding commitment, or contract signature.

Q3: Do I need a VJF for a purchase over $50,000 if I’m using a preferred vendor?
Yes. Even if you are using a preferred vendor, you must complete the VJF if the purchase is over $50,000.

Q4: Is the effective date for the updated procurement policy January 1, 2021?
Yes. The updated policy goes into effect on January 1, 2021.
Q1: Are shipping costs included in the threshold levels and VJF requirement?

A: Yes. Shipping costs should be included in the threshold levels and VJF requirement. Consider both actual and estimated shipping costs. Note: B2P guidance is not to add shipping to a non-catalog request unless the shipping costs are final (not an estimate). A shopper / requestor, must consider actual or estimated shipping costs when determining if a VJF is required even if it is not included in the purchase order.

Q2: Is the threshold based on the total requisition amount or each line item?

A: The threshold is based on the total amount that is being committed to the funding source and specific purchase at the time that the agreement is signed. This may be based on an individual item in a purchase, the cumulative amount in a single purchase, or the total amount committed for a particular vendor or purchase (even if it is paid in installments).

Q3: My total purchase is $75,000 but one line for $7,500 is on a federal or cost-share grant. Do I need to upload a VJF?

A: No. However, the B2P system reviews the total requisition amount not by line so you need to complete section 2 of the B2P drop down menu - Not Required –Federal Requisition Line Amount or Total Cumulative Order ≤$50,000 in order for the requisition not be returned.
**Additional Information**

- B2P Sponsored Guidance
- Procurement Policy
- Procure to Pay Manual
- Procurement FAQ (under construction)
- Vendor Justification Form
- Vendor Justification Form Examples
- Video – How to look up funding instrument for sponsored awards