

HARVARD
FINANCIAL ADMINISTRATION



***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 went 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 – Revision effective 1/1/2021

- Conflict of Interest Standards
- Special Purchases
- Change** • Use of Harvard Preferred Vendors (list found at [Strategic Procurement](#) website)
- Tax Exemptions
- Change** • 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 or cost-share 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.



Conflict of Interest Standards

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 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](#) (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.**

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Purchase Type	List May be Found at:
Travel	All vendors on Harvard's Travel and Reimbursements site are Preferred Vendors
Goods and Services	<p>A complete list of Preferred Vendors may be found in Buy-to-Pay. Suppliers – Manage Suppliers – Search for a Supplier – under Advanced Search select Class and select Preferred Vendor. Preferred vendors are identified in B2P with this: ★</p> <p>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.</p>



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
 - There may be opportunities to take advantage of local resources and other Harvard resources including: [VWR Biology 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](#)
- 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.



When is a Vendor Justification Form (VJF) or Debarment Form Needed?

see video and job aids to determine funding mechanisms for awards	Grants and Cooperative Agreements	Contracts	Other Funding Mechanisms (OTAs, Other)
Debarment Form Required <i>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.</i>	No Form but Action Required <hr/> In B2P No form required since certification is covered through Visual Compliance check, <u>but</u> debarment drop down <u>must</u> be selected to proceed in the B2P workflow.	Form Required ≥\$35K <hr/> In B2P For contract purchases ≥\$35K Email is sent to requestor if debarment drop down not selected. Drop down must be selected to proceed in the B2P workflow.	Varies <hr/> 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.
VJF Required <i>The VJF is a form used to justify sole source selection and cost or price analysis.</i>	Form Required >\$50K <hr/> In B2P For all Fed purchases >\$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.	Form Required >\$50K <hr/> In B2P For all Fed purchases >\$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.	Form Required >\$50K <hr/> In B2P For all Fed purchases >\$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.



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](#)



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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.

Org: xxxxx Fund: 133801	
Harvard University Action Memorandum Action Memo # : 5240332-01-1	
Date :	2 January 2007
Action type :	Awarded notice Initial request
Contacts :	Research Administration Website: http://vpf-web.harvard.edu/osr/contacts.shtml
Segment Title :	Single Molecule Technology for Genome-Wide Association Studies
Project ID :	5240332-01
Principal Investigator :	xxxxxx
Sponsor :	NIH/NHGRI
Prime Sponsor :	
Sponsor Type :	US Federal Government
Prime Sponsor Type :	
Sponsor Award No. :	1 K99 HG004183-01
Prime Award No:	
Funding Instrument :	Grant
Special Equipment Terms :	No
Total committed cost sharing :	\$ 0.00
Institutional Authorities :	Yes
SNAP :	Yes
Responsible Tub :	370 - FCOR^FAS Core
Responsible Org :	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx



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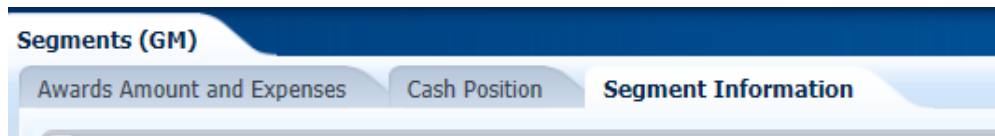
Finding Federal Classification Type (continued)

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



1 Resp Tub --Select Value-- Principal Investigator --Select Value-- Oblig Start Date Between [] []

Resp Org --Select Value-- 3 Fund Type (All Column Values) Oblig End Date Between [] []

2 * Fund --Select Value-- Project Id-No (All Column Values) Anticip Start Date Between [] []

Segment Status Active 4 Research Type (All Column Values) Anticip End Date Between [] []

Apply Reset

3. 1 Select your tub 2 Select “all column values” 3 Select “FG – Federal Grants & Contracts” 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.”

Primary Sponsor	Prime Spon Award	Segment Title	Fund Type	Funding Instrument
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Finding Federal Classification Type (continued)

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”

Harvard GMAS

Search [] Advanced People Organizations Links [] []

Sector Project Digital Development - Researching Digital Security [] Active

PI Michael [] Sponsor Deutsche Gesellschaft für Internationale ... Award number []

Fund 211 []

Administrative team
More details...

01-Sector Project Digital Development...

3. When you select “More details”, the header will expand to show additional information about the project including the Funding Instrument.

Harvard GMAS

Search [] Advanced People Organizations

Sector Project Digital Development - Researching Digital Security []

PI Michael [] Sponsor Deutsche Gesellschaft für Internationale ... Award number []

Fund 211 []

Project 7539565-01 Sponsor type Foreign industry/business

Nickname [] Funding instrument Contract

Tub 275, SPH*TH Chan School of Publi... Org []

Project type Basic research and all other Payment method Wire

Discipline Other

A21 Code A02-Organized Research

Project summary []



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 \geq \$35,000 made with federal funds or cost-share funds on federal contracts of fixed price contracts. In all cases, a debarment drop down must be selected in B2P to proceed in the B2P workflow.

Procurement Requirement	Threshold	Documentation Required for Federal, Cost-Share, or Expenses moved to Federal Funds
Micro Purchase	\leq \$50K	<ul style="list-style-type: none">• No additional documentation requirements• Use of Preferred Vendors encouraged
Small Purchases	$>$ \$50K-250K	<ul style="list-style-type: none">• Two or more quotes (even if using a Preferred Vendor)• Complete and upload VJF into B2P• Complete and upload Suspension & Debarment Form (if \geq\$35K on federal contracts or fixed price contracts)
Large Purchases	$>$ \$250K	<ul style="list-style-type: none">• Formal bid process (posting, review, selection)<ul style="list-style-type: none">• Sealed (construction) or Competitive Bids• Complete and upload VJF into B2P<ul style="list-style-type: none">• Documentation on how/why vendor selected• Cost and Price Analysis• Complete and upload Suspension & Debarment Form (if federal contracts or fixed price contracts)

Summary of Purchasing Procedures for Standard Purchases

(Excluding Special Purchases)

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"> 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 	<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-\$699,999 ^(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 Purchaser <u>must</u> complete sections A & C on the VJF. If a non-competitive proposal, must complete sections A, B & C of the VJF. 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
≥\$700,000+ (\$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



Example Vendor Justification Form

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

<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 type="checkbox"/>	>\$250,000-\$699,999 If purchase is not sole-source, Purchaser <u>will</u> 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. ²
<input type="checkbox"/>	≥\$700,000 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

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

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](#)).

In B2P as of 1/13/2021 Changes to Debarment Drop Down

The drop down must be completed for purchases on any federal or cost-share funds \geq \$35,000.

For contract or fixed price contract purchases \geq \$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

Internal Notes and Attachments

ICQ Support Documentation Attached *no value*

Vendor Justification Form Provided *no value*

Debarment Form Provided (For Federal Contracts \geq \$35K) Yes – For Federal Contracts (Fixed Price & Cost Reimbursable)

Internal Attachments

Add Attachments

Size Date

edit

Internal Note

ICQ Support Documentation Attached

Vendor Justification Form Provided

Debarment Form Provided (For Federal Contracts \geq \$35K)

1 - Yes – For Federal Contracts \geq \$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

In B2P as of 1/13/2021

Changes to B2P VJF Drop Down

The VJF and drop down must be completed for any federal funds >50,000.

Internal Notes and Attachments

ICQ Support Documentation Attached *no value*

Vendor Justification Form Provided *no value*

Debarment Form Provided (For Federal Contracts ≥ \$35K) Yes – For Federal Contracts (Fixed Price & Cost Reimbursable)

Internal Attachments

Add Attachments

Size Date

Internal Note

ICQ Support Documentation Attached

Vendor Justification Form Provided

Debarment Form Provided (For Federal Contracts ≥ \$35K)

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



B2P Requestor Emails

A transaction will be returned to the B2P requestor for the following:

- Purchases $\geq \$35,000$ which have a costing string between 100000-199999 which did not have a debarment drop down section completed.
- Purchases $> \$50,000$ which have costing string between 100000-199999 which did not have the VJF drop down section completed.

The emails are sent sequentially, if a requestor receives the debarment email but does not select the appropriate VJF drop-down if the purchase is $> \$50,000$ they will receive a second email for the VJF.



B2P Requestor Debarment Email

From: B2P@Harvard.edu

Subject: Your requisition has been returned: 3174902



Re: 3174902 has been returned.

Dear Teresa Frost,

The requisition listed above has been returned. You can review a read only version of this requisition by selecting the URL below.

[View Requisition](#)

If a comment was entered, it will appear here:

2/17/2021 5:33 PM - System

Requisition is \geq \$35,000 and may require a Debarment Form. Select one of the following in the "Internal Notes & Attachments" section and resubmit.

- 1 - Yes – For Federal Contracts \geq \$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

Debarment attestation required for expenses \geq \$35,000 on federal contracts.

See [Procurement Policy](#)

2/17/2021 3:56 PM - System

Requisition 3174902, Approved

Cart Name: 2021-02-12 41469595 01

Prepared for: Teresa Frost

Prepared by: Teresa Frost

Returned by:

If you have any questions with regard to this requisition, please contact the assignee who returned this requisition.

A transaction will be returned to the B2P requestor for purchases \geq \$35,000 which have a costing string between 100000-199999 which did not have a debarment drop down section completed.



B2P Requestor VJF Email

From: B2P@Harvard.edu

Subject: Your requisition has been returned: 3179543



Dear Teresa Frost,

The requisition listed above has been returned. You can review a read only version of this requisition by selecting the URL below.

[View Requisition](#)

If a comment was entered, it will appear here:

2/17/2021 5:43 PM - System

VJF response IS needed:

Your requisition exceeds \$50,000 and requires a Vendor Justification Form. Select one of the following in the "Internal Notes & Attachments" section of the checkout process and resubmit.

- 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

Cart Name: 2021-02-17 41469595 03

Prepared for: Teresa Frost

Prepared by: Teresa Frost

Returned by:

If you have any questions with regard to this requisition, please contact the assignee who returned this requisition.

Thank you.

A transaction will be returned to the B2P requestor for purchases >\$50,000 which have costing string between 100000-199999 which did not have the VJF drop down section completed.



Procurement Policy – Non-Federal Funds

When using non-federal funds, these 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.



Procurement Policy – Other Best Practices for All Funds

- 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.



Record Retention

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](#)



Frequently Asked Questions

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 $\geq \$35,000$ 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.



Frequently Asked Questions

Q5: 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.

Q6: 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).

Q7: 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 \leq \$50,000 in order for the requisition not be returned.



Additional Information

[Buy-to-Pay \(B2P\) eProcurement/AP Training Materials](#)

[B2P Sponsored Guidance](#)

[Decision Table for Vendor Justification and Debarment Forms](#)

[Procurement Policy](#)

[Procure to Pay Manual](#) (under revision)

[Procurement FAQ](#) (under construction)

[Vendor Justification Form](#)

[Example of Completed Vendor Justification Form](#)

[Video – How to look up funding instrument for sponsored awards](#)

