Procurement Policy
Appendix C: VENDOR JUSTIFICATION/PRICE VERIFICATION FORM (VJF)
A vendor is a supplier providing goods or services to Harvard.
Harvard uses the term “vendor” interchangeably with the term “contractor.”

Requisition/PO/PRNO (if known): ______________________ Date: ___________ Vendor: ______________________

TUB AND ORG NAME: _______________ ACCT.CODE: _______

Purchased with: □ Federal Funds (100000-199999) □ Cost-Share Funds □ All Other Fund Types
Harvard University requires vendor selection justification and price verification for orders > $10,000 purchased with Federal funds (100000-199999 fund range). 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). Purchases made with cost-share funds or journaled onto Federal funds must also meet these requirements. Schools and units must complete the electronic VJF in HCOM and keep back-up documentation on file. It is a best practice to use this form and follow the requirements listed in Appendix B of the Procurement Policy. Schools and units may have more restrictive vendor 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 >$10,000. 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. Note: A subcontract formally negotiated through and signed by OSP does not require a VJF.

Order Thresholds
Check appropriate boxes, complete required fields and file this form with your department award records or upload into HCOM.

☐ ≤$10,000 - Vendor Justification Form (VJF) not required. No further requirements. Use of Preferred Vendors are encouraged. If purchasing supplies or services from the same vendor where the aggregate dollar amount exceeds $10,000 then use this VJF based on the aggregate dollar amount.

☐ >$10,000-$250,000 (Select vendor and bid type below))

☐ Used a Preferred Vendor - If using a preferred vendor, Complete Section A. No further requirements. See Preferred Vendor list.

☐ Did not use a Preferred Vendor - Purchaser must complete sections below and include documentation as noted below.

☐ Non-competitive purchase/bid: 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 & C.

☐ Competitive purchase/bid: Same items priced differently by several vendors. Minimum of two written quotes/bids required, three preferred. Retain copies of bids/quotations in department files or upload into HCOM & note PR number above for audit purposes. Complete Sections A & C. If only one bid is received, indicate bidder & complete Sections A, B and C

☐ >$250,000-$699,999 Purchaser must conduct a formal competitive bid process, 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.

☐ ≥$700,000 Contact your local Finance or Procurement Office for guidance.

SECTION A – Vendor Quotes
Retain copies of bids/quotations in department files. Note PR number above.

Competitive Bid: Minimum of two bids 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 – Sole Source/Non-Competitive Bid

Retain Vendor selection documentation in department files.

If a noncompetitive purchase/bid 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 examples):

- 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 examples):

## SECTION C – Selection of Source and Price Reasonableness

Retain Vendor selection documentation in department files.

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

- The quoted prices incorporate discounts not available to the general public & reflect substantial savings (e.g. Preferred Vendor or contract partnership agreements, negotiated pricing, etc.).
- The quoted prices compare favorably to previous prices paid for the same or similar items on Payment Req.: ____________
- The quoted prices compare favorably to Harvard internal estimates (e.g. HUIT, UOS, etc.) for similar items.
- The quoted prices were reviewed as part of Harvard’s overall proposal by the federal sponsoring agency & found to be acceptable.
- The contractor has stated that the quoted prices are no greater than those charged to the contractor’s most favored customer.
- The price was obtained from a current catalogue or standard printed price list.
- Other (e.g., cost analysis for construction projects).

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

Signature _______________________________ Date: ______ Email Address: __________________________

Name (please print): ___________________________ Telephone Number: __________________________

NOTE: All individuals making purchases on behalf of Harvard must follow the conflict of interest standards outlined in Appendix A as well as any other of Harvard’s existing conflict of interest policies (see Procurement Policy Related Resources).
Subrecipient (or OSP Administered Subcontract) vs Contractor

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

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

See Subrecipient vs Contractor Guidance on Appropriate Classification of Legal Relationship for additional information.

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

<table>
<thead>
<tr>
<th>A subrecipient relationship is appropriate when:</th>
<th>A contractor/vendor relationship (including that of an individual acting as a vendor for consulting services) is appropriate when:</th>
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<tbody>
<tr>
<td>• Substantive, programmatic work or an important or significant portion of the research program or project is being undertaken by the other entity.</td>
<td>• The entity is providing specified services in support of the research program.</td>
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<tr>
<td>• The research program or project is within the research objectives of the entity.</td>
<td>• The entity has not significantly participated in the design of the research itself, but is implementing the research plan of the Harvard investigator.</td>
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<tr>
<td>• The entity participates in a creative way in designing and/or conducting the research.</td>
<td>• The entity is not directly responsible to the sponsor for the research or for determining research results.</td>
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<tr>
<td>• The entity retains some element of programmatic control and discretion over how the work is carried out.</td>
<td>• The entity markets its services to a range of customers, including those in non-academic fields.</td>
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<td>• The entity commits to a good faith effort to complete the design or conduct of the research.</td>
<td>• Little or no independent decision-making is involved in the design and conduct of the research work being completed.</td>
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<tr>
<td>• The entity makes independent decisions regarding how to implement the requested activities.</td>
<td>• The agreement only specifies the type of goods/services provided and the associated costs.</td>
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<td>• A principal investigator has been identified at the entity and functions as a “Co-Investigator.”</td>
<td>• The entity commits to deliverable goods or services, which if not satisfactorily completed will result in nonpayment or requirement to redo deliverables.</td>
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<td>• There is the expectation that the entity will retain ownership rights in potentially patentable or copyrightable technology or products that it produces in the course of fulfilling its scope of work.</td>
<td>• The entity does not expect to have its employees or executives credited as co-authors on papers that emerge from the research.</td>
</tr>
<tr>
<td>• Publications may be created or co-authored at the entity.</td>
<td>• The expectation is that the work will not result in patentable or copyrightable technology or products that would be owned by the entity.</td>
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<td>• The entity provides cost sharing or matching funds for which it is not reimbursed by Harvard.</td>
<td>• In the case of an individual vendor of consulting services, the person has no employment relationship with Harvard, either academic or administrative in nature.</td>
</tr>
<tr>
<td>• The entity regards itself, and/or is regarded by Harvard, as “engaged in research” involving human subjects under the Common Rule and therefore requires approval for its interactions with human subjects.</td>
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