

## APPENDIX C VENDOR JUSTIFICATION/PRICE VERIFICATION FORM (VJF)

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

Requisition/PO/PR NO (if known): \_\_\_\_\_ Date: \_\_\_\_\_ Supplier: \_\_\_\_\_

TUB AND ORG NAME: \_\_\_\_\_ ACCT.CODE: \_\_\_\_\_

Tub	Org.	Obj.	Fund	Activity	Subact.	Root

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

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

Harvard University requires vendor/supplier selection justification and price verification for orders > \$50,000 purchased with Federal funds (100000-199999 fund range). Purchases made with cost-share funds or journaled onto Federal funds must also meet these requirements. All individuals making purchases on behalf of Harvard must follow the conflict of interest standards outlined in [Appendix A](#) of the Procurement Policy 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"/>	<b>≤\$50,000</b> - 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. <ul style="list-style-type: none"> <li><input type="checkbox"/> Non-Competitive/Sole-Source/Single-Source purchase: Procurement through solicitation of a proposal from only one source, therefore not allowing vendor &amp; price competition. <b>Indicate bidder in Section A and complete sections B and C.</b></li> <li><input type="checkbox"/> Competitive purchase/proposal: Same items priced differently by several vendors. Minimum of two written quotes/proposals required, three preferred. Retain copies of proposals/quotations in department files or upload into B2P &amp; note PR number above for audit purposes. <b>Complete Sections A &amp; C.</b> If only one proposal is received, indicate bidder &amp; complete <b>Sections A, B and C.</b> 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.</li> </ul>	
<input type="checkbox"/>	>\$250,000-\$699,999      If purchase is not sole-source, Purchaser <u>will conduct a formal competitive proposal process (RFP)</u> , obtain a minimum of 2 written proposals AND complete <b>Sections A and C.</b> Contact your local Finance or Procurement Office and refer to the <a href="#">Procure-to-Pay Manual</a> for guidance. <sup>1</sup>
<input type="checkbox"/>	≥\$700,000      Contact your local Finance or Procurement Office for guidance.

<sup>1</sup> 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](#)).

## 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.

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

## Sample Language Vendor Justification/Price Verification Form (VJF)

### EXAMPLE SECTION B

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

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

#### **Sample explanation of a sole-source vendor:**

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

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

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

#### **Sample explanation continuity of existing research/work:**

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

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

#### **OSP Subcontract**

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

### Sample - Multiple Quotes

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 checked="" 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. <b>Indicate bidder in Section A and complete sections B and C.</b>
<input checked="" 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. <b>Complete Sections A &amp; C.</b> If only one proposal is received, indicate bidder & complete <b>Sections A, B and C.</b> 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 conduct a formal competitive proposal process (RFP)</u> , obtain a minimum of 2 written proposals AND complete <b>Sections A and C.</b> Contact your local Finance or Procurement Office and refer to the <u>Procure-to-Pay Manual</u> for guidance. <sup>1</sup>
<input type="checkbox"/>	≥\$700,000 Contact your local Finance or Procurement Office for guidance.

#### 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).

Selected Lab Supplies, Inc. - 24/7 customer service, free extended warantee and quality of equipment based on prior experience with company.

### Sample No Preferred Vendor- Single Source

#### Order Thresholds

<input type="checkbox"/>	≤\$50,000 - Vendor Justification Form (VJF) not required. No further requirements. If purchasing supplies or services from the same vendor where the aggregate dollar amount exceeds \$50,000 then use this VJF based on the aggregate dollar amount. Check this box if the total purchase using federal or cost-share funds is <\$50,000 OR the individual line item(s) charged to federal or cost-share funds is <\$50,000 (even though the full purchase may be >\$50,000).
<input type="checkbox"/>	>\$50,000-\$250,000 (Select vendor and bid type below)
Purchaser must select appropriate box below and include documentation as noted below.	
<input type="checkbox"/>	Non-Competitive/Sole-Source/Single-Source purchase: Procurement through solicitation of a proposal from only one source, therefore not allowing vendor & price competition. <b>Indicate bidder in Section A and complete sections B and C.</b>
<input type="checkbox"/>	Competitive purchase/proposal: Same items priced differently by several vendors. Minimum of two written quotes/proposals required, three preferred. Retain copies of proposals/quotations in department files or upload into B2P & note PR number above for audit purposes. <b>Complete Sections A &amp; C.</b> If only one proposal is received, indicate bidder & complete <b>Sections A, B and C.</b> Quotes may be formal requests for proposal, email correspondence with a vendor/supplier or screen shots of supplier pages showing pricing for the same item.
<input checked="" type="checkbox"/>	>\$250,000-\$699,999 If purchase is not sole-source, Purchaser <u>will conduct a formal competitive proposal process (RFP)</u> , obtain a minimum of 2 written proposals AND complete <b>Sections A and C.</b> Contact your local Finance or Procurement Office and refer to the <a href="#">Procure-to-Pay Manual</a> for guidance. <sup>1</sup>
<input type="checkbox"/>	≥\$700,000 Contact your local Finance or Procurement Office for guidance.

#### SECTION A – Vendor Quotes

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

Contractor A:	Spectrometer, Inc.	Total Price:	\$295,000	Quote Contact:	Joe Schmoe	Quote Date:	5/13/20
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](#)):

Require spectrometer with following specs: Parallel angle and energy detection; Kinetic energy ranges 0 - 10eV, 0 - 100eV, 0 - 400eV, 0 - 1500 eV, 0 - 3500eV, High energy option up to 15kV, Excellent energy and angular resolution, Angular and spatial resolving modes, 2D-DLD Detector, THEMIS 600 / 1000 have 100 mm or 150 mm mounting flanges, respectively. Spectrometer, Inc. is the only company that sells a spectrometer that meets the required specifications.

- 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). Spectrometer, Inc. is the only company that sells a spectrometer that meets the required specifications. A discontinued spectrometer of the same type offered by Meters R Us fell within the same price range of the spectrometer purchased OR a different spectrometer without the same resolution was priced within the same price range.