PROCUREMENT POLICY

**Purpose**

The purpose of this policy is to ensure that goods and services purchased are obtained in a cost-effective manner and in compliance with policies and regulations of Reconciling United Methodists Texas Conference.

**Scope**

This policy applies to Officers, Directors, Managers and any designees (“buyer”) authorized to initiate purchases on behalf of Reconciling United Methodists Texas Conference (RUMTX).

**Responsibility**

The Board of Directors is responsible for determining whether a purchase is allowable and will ensure purchases are in accordance with this policy. The procurement administrator or designee will provide decision support upon request and the Office of Treasurer and/or Secretary will serve as the final repository for purchase transaction records.

**Code of Conduct**

All representatives of RUMTX are expected to conduct themselves in a professional and ethical manner, maintaining high standards of integrity and the use of good judgment. Representatives of RUMTX are expected to be principled in their business interactions and act in good faith with individuals both inside and outside of the community it serves.

This Code of Conduct shall govern the performance, behavior and actions of RUMTX, including Board members, employees, directors, volunteers, or agents who are engaged in any aspect of procurement, including – but not limited to – purchasing goods and services or the administration and supervision of contracts or grants.

No employee, officer, director, volunteer or agent of the Buyer shall participate in the selection, award or administration of a bid or contract if a conflict of interest is real or apparent to a reasonable person.

Conflicts of interest may arise when any employee, officer, director, volunteer or agent of RUMTX has a financial, family or any other beneficial interest in the vendor firm selected or considered for an award. Representatives of RUMTX are expected to comply with the Conflict of Interest Policy while conducting any portion or process of the Procurement Policy.

No employee, officer, director, volunteer or agent of the Buyer shall do business with, award contracts to, or show favoritism toward a member of his/her immediate family, spouse’s family or to any company, vendor or concern who either employs or has any relationship to a family member; or award a contract or bid which violates the spirit or intent of Federal, State and local procurement laws and policies established to maximize free and open competition among qualified vendors.

The buyer’s employees, officers, directors, volunteers or agents shall neither solicit nor accept gratuities, gifts, consulting fees, trips, favors or anything having a monetary value of twenty-five dollars ($25) or more from a vendor, potential vendor, or from the family or employees of a vendor, potential vendor or bidder; or from any party to a sub-agreement or ancillary contract.

PROCUREMENT PROCEDURES

To promote compliance with federal regulations, buyer is required to perform some measure of cost/price analysis when making purchases. Buyers shall avoid purchasing unnecessary items. All vendor bids and quotations must be evaluated on the basis of product quality, technical compliance with specifications, total cost, and the vendor’s acceptance of the terms and conditions.

The procedures in this section apply to all procurements including materials, supplies, and services.

The vendor selection process for goods and services valued at less than $3,000 need not be documented and stored as part of the transaction record.

The vendor selection for process for goods and services in excess of $3,000 and up to $20,000 require three competitive written quotes must be obtained.

The vendor selection process for goods and services in excess of $20,000 requires a Request for Proposal (RFP) be prepared and 3 written competitive bids obtained.

The chart below shows the general process and documentation required for each level of procurement;

|  |  |  |  |
| --- | --- | --- | --- |
|  | **< $3,000** | **Between $3,000 and** | **> $20,000** |
|  | **$20,000** |  |
| Bid process required? | No | Written | RFP |
| Acceptable forms of bids | N/A | Verbal publishedcatalogues, written | written only |
| Minimum number of bidsRequired | N/A | 3 | 3 |
| Submit biddocumentation to theProcurement Official? | No | Yes | Yes |

Note: **SPLITTING PURCHASES WITH INTENT TO CIRCUMVENT PROCUREMENT LIMITS IS PROHIBITED.**

**Vendor Selection and Bidding Requirements**

***For purchases under $3,000:***

Formal documentation of vendor selection is not required. Buyers are expected to conduct an informal cost/price analysis and select the vendor offering the best mix of quality, service and price for the specified need. Reasonable efforts shall be made to ensure fair and competitive pricing.

***For purchases from $3,000 to $20,000:***

A minimum of three (3) bids, written or verbal, are required. Each vendor must be provided with the same precise and accurate description of the specifications and technical requirements for the item or service. Web price lists and catalogue listings can be considered verbal bids. Buyers must complete a Vendor Selection Form (Appendix A). A copy of the completed form must be attached to the selected vendor’s invoice and submitted to the Board for payment approval.

***For purchases $20,000 and over:***

A minimum of three (3) **written** bids are required. Each vendor must be provided with a Request for Quote (RFQ) or Request for Proposal (RFP) that contains an accurate description of the specifications and technical requirements for the item or service being sought. Written bids may be received by mail, fax or email and should be signed/e-mailed by an authorized representative of the vendor. Buyers must document vendor selection. A copy of the documents for vendor selection and all written bidsmust be attached to the selected vendor’s invoice and submitted to the Procurement Official for payment.

When lease options are available, an analysis of the lease versus buy option must be performed to determine which alternative would be the most economical and practical form of procurement.

**Obtaining Competitive Bids**

Solicitations for goods and services shall provide the following:

* A clear and accurate description of the technical requirements for the material, product, or service desired. The description shall not be designed to limit competitive solicitation from multiple vendors.
* Requirements that the bidder must fulfill and all other factors to be used in evaluating bids and proposals.
* A description of the technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
* Preference will be given, to the extent practical and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

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* Positive efforts shall be made to utilize small-business, minority-owned firms and women’s business enterprises, whenever possible.

**Requests for Quotes (RFQs) and Requests for Proposals (RFPs)**

RFQs will be used for non-complex procurements (e.g., hourly rate consulting agreements, and procurements for materials). RFPs will be used for soliciting proposals for negotiated, complex contracts. The RFQ or RFP is prepared by the Procurement Official or Designee and should include:

* Purpose
* General information, including any deadlines
* Statement of work, specifications, requirements, milestones and deliverables
* Bid/proposal preparation and submission instructions
* Evaluation criteria
* Award notification
* Instructions for budget and estimated pricing
* Any special terms and conditions
* Required vendor certifications

**Non-Competitive Vendor Selection**

When buyer is unable or chooses not to competitively bid the requirements, these situations will be characterized as sole or single source transactions and documented accordingly.

*Sole Source:*

No other vendor capable of fully meeting the requirements exists.

*Single Source****:***

Alternative vendors exist in the competitive market, but buyer chooses to solicit a bid from only one particular vendor because of technical requirements (precision, reliability) or past acceptable or unacceptable performance by other vendors.

Buyer must write a narrative justification for the non-competitive procurement in keeping with the Sole/Single Source Justification Guidelines in Appendix B.

**Documentation Requirements for all procurements**

Purchases under $3,000: Buyers shall solicit competitive bids to the maximum extent practicable at the discretion of the Board. Documentation is required is at the Board’s Discretion.

Purchases from $3,000 to $20,000: Quotations & bids may be requested and received orally. A price analysis must be performed and documented using the Vendor Selection Form (Appendix A).

Purchases $20,000 and over: Quotations/proposals must be requested in writing via a formal Request for Quote (RFQ) or Request for Proposal (RFP) or equivalent that clearly set forth all requirements to be evaluated.

**Exceptions-** The Board of RUMTX must approve any exceptions to this policy by written notice.

**APPENDIX A**

**VENDOR SELECTION FORM**

**Selected Vendor Name:**

This form must be used to document the selection of vendors for all purchases.

Section I must always be completed in entirety. If choosing a pre-qualified vendor, attach a quotation or explanation of pricing, and complete Section I and signature sections only.

Procurements of $20,000 and over require a RFQ or RFP and written proposals, which must be included with this form.

**Section I. Basic Information: Complete for all procurements of $3,000 and over:**

Request Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Procurement Official/Designee: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purpose of Procurement:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Service or Item Description:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Quoted Price:

Was this vendor chosen from the Pre-Qualified Vendor List? Yes / No

**Section II. Competitive Selection:** Same item or services priced by several vendors. Record oral or written quotations below, and attach copies of any RFQs/RFPs and bids/quotations to this form as required by the Procurement Policies and Procedures.

|  |  |  |
| --- | --- | --- |
| **Vendor** | **Quoted Price** | **Preferences** |
| A. |  |  |
| B. |  |  |
| C. |  |  |

**Section III: Sole Source Procurement:** Choose one or more reasons below and attach a written explanation supporting the reason(s) chosen.

* At least three quotations/proposals were requested and only one response was received.
* Required by the terms of the sponsor’s written solicitation or RFP – attach copy.
* Unique or prior experience, expertise, professional stature or key personnel.
* Proprietary item with unique requirements or “brand name” – only source capable of meeting requirements.
* Extreme Urgency – insufficient time to conduct a competitive source selection due to the extreme urgency of the requirement (nature of urgency must be fully documented in file).

**Section IV: Signatures:** Buyer is responsible for obtaining signatures.

**Procurement Official (required):**

|  |  |  |
| --- | --- | --- |
| Printed Name | Signature | Date |

**Secretary**

|  |  |  |
| --- | --- | --- |
| Printed Name | Signature | Date |

**Treasurer**

|  |  |  |
| --- | --- | --- |
| Printed Name | Signature | Date |

**APPENDIX B**

**SOLE/SINGLE SOURCE JUSTIFICATION GUIDELINES**

**This checklist is provided as a guideline to be used when writing your justification for a sole/single source procurement.**

All documentation should be written clearly so that anyone reading it will understand the reason for the sole/single source procurement.

At a minimum, each justification should contain sufficient facts and rationale to justify the use of the specific reason chosen including:

* identification of the reason chosen that permits for other than full and open competition, and
* a background statement that provides information that would assist the reader in understanding the history (e.g., funding source, constraints, etc.) of the procurement, and
* a description of the supplies or services required to meet the contract’s or RUMTX’s needs, and
* a demonstration that the proposed vendor/subcontractor’s unique qualifications or the nature of the acquisition requires use of the reason chosen and essential to the requirements, and
* a description of efforts made to ensure that offers were solicited from as many potential sources as is practicable, and
* a determination that the pricing/costs are fair and reasonable, and
* a description of the market research conducted and the results or a statement of the reason market research was not conducted, and
* any other facts supporting the use of a sole/single source procurement, and