



# PROCUREMENT POLICY

Board Approved June 13, 2022

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It is the policy of the Community Foundation of the Dan River Region (CFDRR) to provide an appropriate, systematic process of procurement of goods, services, and equipment based on competitive principles in order to ensure that:

1. high-quality goods and services are obtained at a reasonable cost, and
2. all procurement processes are conducted in an impartial manner

As necessary, the CFDRR will establish procurement policies and procedures that satisfy legal restrictions, regulations and rules imposed by Federal, State, and local governments.

## Section A. General Policy

1. **No Conflict of Interest.** All directors, employees, or agents who participate in the selection or acceptance of a contract for equipment, materials, supplies, or services must comply with the CFDRR's conflict of interest policy. "Conflict of interest" includes situations in which the employee, family member, or board member has a financial interest in the business or individual selected for the contract.
2. **No Purchase of Items Not Approved in the Budget.** No director, employee, or agent shall solicit or accept any equipment, materials, supplies, or services that have not been approved by the Board of Directors in the annual budget without prior approval of the Board.
3. **No Purchase of Items for Personal Use.** No director, employee, or agent who participates in the selection or acceptance of a contract for equipment, materials, supplies, or services shall use such items for personal use.
4. **No Receipt of Gratuities.** No director, employee, or agent shall solicit or accept gratuities, favors, or anything of value from contractors, potential contractors, or parties to agreements with the CFDRR.
5. **No Unnecessary Items.** The CFDRR will avoid the purchase of unnecessary items.

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**6. Contracts for Services.** If a contract is competitively bid, the CFDRR will enter into a contract with the winning bidder that specifies the equipment, materials, supplies, property and/or services to be purchased and the payment terms. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. The CFDRR will evaluate each contractor at the completion of each contract. The evaluation will be utilized to make decisions to award future contracts.

**7. Procurement Instruments.** The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the CFDRR but shall be appropriate for the particular procurement and for promoting the best interest of the CFDRR.

### **Section B. Purchasing Procedure**

The CFDRR will conduct all procurement transactions in a manner that maximizes opportunities, increases quality, and reduces the cost of purchase. The CFDRR reserves the right to reject any bids or offers, if deemed to be in its best interest. Price shall be considered but need not be the sole determining factor; best value concepts will be used.

**1. Pricing Procedures.** One of the following procurement procedures shall be utilized for all purchases of equipment, materials, supplies, property, or services involving CFDRR:

- a. Open Market Inquiry. Subject to the approval of the Director, purchases not to exceed \$5,000 may be made on the open market.
- b. Open Market with Written Quote Record. Subject to the approval of the Director, purchases from \$5,001 to \$25,000 may be made on the open market after adequate inquiry to assure that the price obtained is the most advantageous to the CFDRR. A written record of three quotations shall be made and filed with the records of transaction. If the purchase is to be made/awarded without competition, procurement records must include the rationale for the sole source purchase.
- c. Request for Competitive Quotes. For purchases over \$25,000, specifications of the solicitation shall be approved by the Director and the CFDRR shall invite written proposals from at least three or more vendors. Procurement records and files for purchases in excess of \$25,000 shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

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- 2. Analysis of Lease or Purchase.** Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the CFDRR.
- 3. Board Approval for Purchases.** The CFDRR Board of Directors must approve purchases over \$25,000.
- 4. Signatories on Checks.** There must be two approved signatories on all checks.

### **Section C. Property and Equipment.**

- 1. Property Inventory.** A list of all property owned by the CFDRR shall be kept showing the quantity and type of property, detailed description, original cost and purchase date, and depreciated value. The inventory list must be completed at the time of purchase and annually at the end of the CFDRR's fiscal year.
- 2. Insurance Coverage.** The CFDRR shall maintain insurance coverage for all property owned by the CFDRR and maintain documentation of each policy in a secure location.

### **Section D. Additional Purchasing Policies When Using Federal Funds**

The additional policies herein apply to CFDRR activities that utilize federal funds. The intent is to provide reasonable assurance that procurement of goods and services is made in compliance with the provisions of the A-102 Common Rule or OMB Circular A-110, as applicable, and that covered transactions (as defined in the suspension and debarment common rule) are not made with a debarred or suspended party.

- 1. Federal Debarment.** Before purchasing goods/services using federal funds, the CFDRR must check the Federal Government's General Services Administration's *Excluded Parties List System* (EPLS) and document that the vendor is neither debarred nor suspended from doing business with the federal government nor delinquent in a debt to the United States as defined in OMB Circular A1-29.
- 2. Small, Minority-owned, and/or Woman(en)-owned Businesses.** Positive efforts shall be made by the CFDRR to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible.
- 3. Property of Federal Government.** Equipment purchased with federal funds that costs more than \$5,000 is generally considered the property of the federal government and must be disposed of through the applicable federal procedure.