



<b>Policy TITLE:</b>	<b>Accounting Policies and Procedures for Administration of Assistance Agreements: Procurement</b>
<b>Policy NO.:</b>	<b>1-113</b>
<b>REVISION NO:</b>	<b>1.3</b>
<b>Program</b>	<b>Administration</b>

<b>Finance Committee Approved Date:</b>	5/4/2017
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<b>POL Effective Date:</b>	5/4/2017

## I. PURCHASING PROCESS

The following guidelines will be followed for the purchase of property and services:

1. Up to \$1,000 - The acquisition of property and services having a value up to \$1000 may be purchased without competitive bid.
2. More than \$1,000, but less than \$10,000 - For the acquisition of property and services with a value of at least \$1,000 but less than \$10,000, at least three quotations will be solicited from qualified bidders.
3. More than \$10,000 - For the acquisition of property and services with a value of at least \$10,000, the TNI will issue a public request for proposals (RFP) and solicit quotations from at least three qualified bidders. These RFPs will be posted on the TNI website for a period of at least one week.

## II. METHODS OF PROCUREMENT

The following are the Methods of Procurement to be used under this policy:

1. Low Value: Purchases that are random in nature under the value of \$1,000 may be purchased by TNI, using a Purchase Order, Petty Cash, Check, or Credit Card. Documentation of fair market price, based on catalogues and/or merchant receipts is used to ensure reasonableness.
2. Quotations: An invitation to provide a competitive quotation is used when detailed specifications are available that permit the evaluation of bids against clearly stated criteria and specifications. The bids are provided without condition or reservation and where an award can be made without negotiation. Submissions are compared to the specification and requirements contained in the tender documents. The award is normally to the lowest total cost bid received from a responsible bidder meeting the requirements of the tender.

3. Request for Proposal: A Request for Proposal is a formal invitation to suppliers to describe how their services, methods, equipment, or products can address and/or meet specific needs. It is used when a supplier is invited to propose a solution to a problem, requirement, or objective. Unlike quotations, each RFP is compared to the others received to assess the best proposal. An award of a contract based upon an RFP will be made to the supplier whose proposal is determined to be the most advantageous to the Institute based upon criteria for evaluation set out in the RFP, with price, quality and other factors considered.

### III. AWARD OF CONTRACTS

The Executive Director may approve the award of contracts under the following conditions:

1. Where the funds and program have been approved by the TNI Board of Directors as part of the annual business planning and budget process and the expenditure will not result in an over-expenditure of the entire budget.
2. Where the purchase was the result of a public procurement process conforming to the procurement policy.
3. Where the award of a Request for Proposal is made to the highest scoring proponent based upon evaluation criteria within the Request for Proposal.

### IV. SUPPLIER PERFORMANCE

1. Suppliers may be subject to disqualification if there is sufficient evidence of consistent failure to meet the standards specified. A supplier can be disqualified for a period not exceeding three years from participation in a solicitation for property or services.

Suppliers shall be disqualified when:

- a. Conviction for a criminal offense of a person or a director or official or such person relating to obtaining or attempting to obtain a contract or subcontract. An indication of lack of business integrity or honesty, which directly and serious effects the responsibility of the contractor.
  - b. Serious breach of contract indicating an unwillingness to perform a contract in accordance with the terms and conditions or specifications or a record of unsatisfactory performance of one or more contracts in accordance with the terms and conditions thereof or in accordance with its specifications or both.
  - c. The offer of any gratuity to an official or employee of the Institute by a supplier or contractor for consideration.
2. Suppliers who provide satisfactory performance may continue to be used if they provide a satisfactory cost estimate for each new task or effort.

#### **Additional Related Policies:**

TNI Accounting Policies and Procedures for Administration of Assistance: General (Policy 1-111)

TNI Accounting Policies and Procedures for Administration of Assistance: Property Management and Control Policy (Policy 1-117)

TNI Accounting Policies and Procedures for Administration of Assistance: Reporting Policy (Policy 1-118)

TNI Accounting Policies and Procedures for Administration of Assistance: Policy on Recording Direct Labor Charges (Policy 1-119)

TNI Accounting Policies and Procedures for Administration of Assistance: Conflicts of Interest Policy (Policy 1-120)

**Policy Approved Changes**

<b>Revision No.</b>	<b>Effective Date</b>	<b>Description of Change</b>
1.1	3-10-12	Larger policy split up. Updated format.
1.2	7-30-15	Changed "SOP" to "Policy" in Related Policies
1.3	5-4-17	Added section IV.2