

## Acquisition of Goods and Services

I. PURPOSE: To define the requirements for purchasing goods and services through PAVIR.

II. POLICY: It is the policy of PAVIR that acquisition of goods and services will be accomplished for appropriate research, educational and business activities and that payment for such goods and services will be made in a timely and responsible manner.

III. REQUIREMENTS: The following are requirements for expenditures for purchases of goods and services.

1. Effective October 1, 2018 Uniform Guidance outlines five types of procurement: Micro, Small, Sealed Bids, Competitive Bids and Sole Source Proposals.

Purchase Type:	Requirements:
1. Micro-purchases for under \$25,000	<ul style="list-style-type: none"> <li>◦ No bids, quotes, or cost/price analysis required</li> <li>◦ Should be distributed among qualified vendors</li> <li>◦ Affiliate agreements should be used when applicable</li> </ul>
2. Small Purchases for \$25,000 - \$250,000	<ul style="list-style-type: none"> <li>◦ Price quotes required from at least two sources</li> <li>◦ Per item or per service agreement per PO</li> <li>◦ Should be distributed among qualified vendors</li> <li>◦ Affiliate agreements should be used when applicable</li> </ul>
3. Sealed Bids (Formal Advertising) for purchases greater than \$250,000	<ul style="list-style-type: none"> <li>◦ Bids must be publicly solicited or advertised</li> <li>◦ Preferred method for construction projects</li> <li>◦ Two or more bidders competing are willing, able, and qualified to do the work</li> <li>◦ Firm fixed-price contract</li> <li>◦ Bidder lowest in price will be selected</li> <li>◦ Reason for rejected bids will be documented</li> </ul>
4. Competitive Proposals for purchases greater than \$250,000	<ul style="list-style-type: none"> <li>◦ Bids must be solicited from an adequate number of qualified sources.</li> <li>◦ To be used when conditions are not appropriate for sealed bids</li> <li>◦ Either a fixed-price or cost-reimbursement type contract is awarded.</li> <li>◦ Price is not used as the only selection factor, but rather the most qualified vendor.</li> <li>◦ At least three quotes should be solicited which will be reviewed by a selection committee comprised of lab representatives, Purchasing Department, and/or other PAVIR staff</li> </ul>
5. Sole Source (Noncompetitive Proposal)	<ul style="list-style-type: none"> <li>◦ Available only from one source</li> <li>◦ For use in emergency situations – purchase can't be delayed resulting from competitive solicitation</li> <li>◦ No competition available</li> <li>◦ Requires Sole Source Justification Form (<a href="https://pavir.org/resources/forms">https://pavir.org/resources/forms</a>) completed by the requester</li> </ul>

2. All goods and services must have a research, education or business purpose. Additionally, project, activity or program specific expenses may require Research & Development Committee or Education Committee approval of the associated project, activity or program, where applicable.
3. There must be sufficient funding to support the request.
4. PAVIR is not exempt from sales and use taxes. PAVIR must pay tax on all tangible goods purchased. If sales tax is not charged, PAVIR is required to pay use tax to California or to the appropriate state.
5. There must be a Delegation of Authority for PAVIR Accounts in place for anyone other than the Principal Investigator to approve expenditures. Signature stamps are not acceptable.
6. Small and minority businesses should be considered where possible according to Uniform Guidance.

IV. RESTRICTIONS: Described below are restrictions on use of PAVIR funds:

1. Purchases considered to provide personal benefit are not allowed.
2. PAVIR does not provide discretionary spending accounts.
3. Expenses related to professional licensure of VA-paid employees are not allowable, regardless of the source of funding.
4. No purchase which may result in the appearance of a conflict of interest will be made.
5. No expenditure will be authorized for memberships with PAVIR funds unless it furthers the VA's research and education mission or enhances professional development as authorized by the supervisor.
6. No expenditures will be authorized for donations, lobbying or political activities.
7. PAVIR is generally not responsible for upgrade, repair or maintenance of VA or Stanford owned equipment. However, if such are allowable and appropriate, PAVIR funds may be used.
8. Foreign vendors are discouraged, unless a Foreign Vendor Justification is provided to the Purchasing Department.
9. Honoraria may be paid to invited speakers/presenters at PAVIR business meetings. Payment for honoraria can be requested via a Check Request, which must be accompanied by a written invitation to the speaker/presenter, including date, purpose, and amount of payment. Any honoraria payment greater than \$1,000 requires CEO approval. Special provisions govern payment of honoraria to VA-paid employees.

V. PROCEDURES: PAVIR pays for goods and services through three mechanisms, either a Requisition, Check Request, or

through existing affiliate agreements or arrangements, such as Joint Personnel Agreement (JPA), Professional Services Agreement (PSA), or other agreements including Memorandum of Understanding (MOU). Items requested by Purchase Requisitions are reviewed by designated Contracts & Grants Staff for allowability, reasonableness and availability of funds before any commitment is made. Purchase requisition is the preferred method for procurement of goods and services. A Check Request may be denied by PAVIR Administration due to non-compliance with PAVIR's procurement standards.

All requisitions or check requests are reviewed and approved by the Contract & Grant Analyst (CGA) or Clinical Trials department within 24 hours of the receipt of the request from the requester.

All requisitions or check requests over \$5,000 require approval by CEO or designated personnel.

Purchase Orders are created, and orders will be placed by the Purchasing Department within one day of approved requisitions.

PAVIR Accounting sets up all new vendors prior to the first order being placed. As a part of this process, Purchasing or Accounting requests the vendor's W9 and the PAVIR Vendor Questionnaire Form. Accounting also ensures that the vendor is not on any federal or state excluded, suspended, or debarred list by checking on the System for Award Management (SAM) (<https://www.sam.gov/SAM/>) and Office of Inspector General (OIG) Exclusions Database (<https://exclusions.oig.hhs.gov>). In addition, PAVIR may prohibit the use of certain vendors if past experience, legal action, or other factors warrant an exclusion.

#### 1. Purchase Requisition

1. It is not allowable to split orders to avoid the need for competitive bids or sole source justification.
2. To the extent possible, allow ample planning time for purchase of the goods or services. If the items are time sensitive clearly indicate this on the requisition.
3. Requisitions should include documentation of business need justification and/or vendor quotes, where applicable. Requestors who order frequently, for example wet labs, will be set up to place requisitions through PAVIR's online requisition system, ReQlogic, which automates the routing process for approval prior to ordering.
4. For those not on ReQlogic, a signed, completed Purchase Requisition should be submitted to Purchasing. Incomplete information will delay the ordering process.
5. All vendor quotes must be addressed to PAVIR.
6. Every effort will be made to achieve delivery as requested in the "Date Required" field. The PAVIR account listed will be charged for any increased shipping costs resulting from rush orders.
7. Any questions or problems with the order, e.g., significant price difference (20% or higher), back orders, discontinued products, will be conveyed to the requestor prior to placement of the order.
8. The Purchasing Department reserves the right to substitute the vendor listed on the requisition with another vendor from whom the same product is available at a lower price. The vendor may also be substituted if PAVIR does not have an account with the suggested vendor, and the same item is available through an established PAVIR vendor. In either case the recipient will be notified prior to commitment.
9. If an order is not received within the expected time frame, the requestor should notify the Purchasing Department for follow up regarding anticipated delivery.

#### 2. Check Request

1. The Check Request form is used for goods, services and other expenditures not procured using a Purchase Requisition.
2. The following backup documentation is required with the signed, completed Check Request form:
  1. Itemized detail - A company invoice or documentation indicating the items purchased or to be purchased, the price of each item and total cost. Statements of Account, credit card slips, and credit card statements do not fulfill the requirement for itemized detail.
  2. Proof of payment - Required if the Check Request form is for a reimbursement of goods and services. Standard retail cash register receipts, invoices marked "paid", or credit card statements showing the payee and amount are considered as adequate proof of payment.
  3. In some cases when an invoice or receipt carries no descriptive information, further documentation may be required.

#### 3. Procurement for Services Related to Affiliate Agreements or Other Agreements such as Memorandum of Understanding.

1. PAVIR procures services from affiliates including Stanford University and VA.
2. Affiliate agreements must be documented and/or signed by authorized personnel and executed prior to payment for these services.
3. CGA or Clinical Trials department reviews and approves invoices within 24 hours of receipt and forward them to Accounting for payment processing.

#### 4. Procurement of Animals

1. Animals may be procured only through tick@lab.

2. Animal requisitions must be approved and released by the VMU designee prior to animal purchases by PAVIR.
3. All animal orders will designate the VMU as the destination of delivery.

#### VI. DONATION OF CERTAIN PURCHASES TO VAPAHCS

1. To comply with certain regulatory requirements in carrying out its mission of facilitating research, education, and business activities at VAPAHCS, PAVIR utilizes some facilities and reporting mechanisms of VAPAHCS.
2. All animals purchased by PAVIR become the property of VAPAHCS.
3. PAVIR also utilizes VAPAHCS resources for handling and removal of medical and laboratory waste, including radioactive and other hazardous or controlled materials. To ensure conformance with legal and regulatory requirements, all supplies purchased by PAVIR for use in approved research or educational activities become the property of VAPAHCS.