



CDISC Policy 010 - Procurement Policy

Revision History

Date	Revision	Description	Author
August 2018	1.0	First Draft	Sr Accountant, VP Finance
September 2020	2.0	Revision	Sr. Director Finance and Administration
April 2024	2.0	Reviewed	Finance Oversight Committee

1 Purpose

The purpose of this document is to establish standards and guidelines for purchase of services, equipment, supplies etc. to ensure that they are obtained as economically as possible through an open and competitive process, that contracts are managed with good administrative practices and sound business judgment, and that purchases are in compliance with federal guidelines, including but not limited to the federal Uniform Grant Guidance. The Uniform Grant Guidance became effective December 26, 2014, but CDISC elected the allowed grace period of three full fiscal years.

2 Roles

CDISC Staff	Assigned by department head for procurement
Department Head or COO / CEO as appropriate	Supplier approval
Accounting	Federal debarment check; collect W9 & Vendor forms from approved suppliers; circulate and collect Vendor Evaluation forms; retain and maintain documentation for each vendor

3 Methods and Requirements

1. General Procurement standards

All procurement transactions will be conducted to provide – to the maximum extent possible – free and open competition among suppliers, to obtain the best possible quality at the best possible price. The extent and formalization of these efforts depend on the value of the purchase or contract.

All necessary affirmative steps will be taken and documented to solicit participation of CDISC member entities followed by locally owned, minority-owned, female-owned and small businesses.

Procurement requests should not be divided and “stacked” in order to artificially reduce the procurement amount. For clarity purposes, all dollar value ranges below are meant over a 12-month period.

All procurement in excess of US\$10,000 over a 12-month period must be supported by a written contract.

2. Micro Purchases (aggregate dollar range US\$1-US\$3,500)

Simple and informal procurement methods can be used for such small purchases.

Efforts must be made to get the best and lowest price, but no formal competitive quotes are required if management determines that the price is reasonable. The price would be considered reasonable if consistent with similar prior purchases or the fair value of similar goods or services.

To the extent practicable, CDISC will aim to distribute purchases equitably among qualified suppliers.

3. Medium Purchases – (aggregate dollar range US\$3,501-US\$25,000)

Simple procurement methods can be used for medium purchases. However, the selection process must be formalized using the CDISC Procurement Form detailed in CIP 005.

Price or rate quotations must be obtained from at least two qualified sources. Rate quotes may be obtained via phone calls or emails with the vendor, the vendor website or other public website.

A cost or price analysis is required, as well as a written evaluation of the proposals received.

Selection of recipients must be justified.

4. Large Proposals: Purchases above US\$25,000

A Request for Proposals (RFP) must be issued and identify all evaluation factors and their relative importance. Evaluation factors to be considered include:

- Cost.
- Experience of the contractor and their ability to perform successfully under the terms and conditions of the contract.
- Availability.
- Personnel qualifications.
- Financial stability.
- Project management expertise.
- Minority business, women’s business enterprise, or labor surplus area firm status.

Proposals must be solicited from an adequate number of qualified sources in a manner providing full and open competition consistent with federal guidelines. Some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Noncompetitive pricing practices between firms or between affiliated companies.
- Noncompetitive contracts to consultants that are on retainer contracts.
 - A contract that automatically renews every year unless cancelled by one party would be considered a noncompetitive contract.
- Organizational conflicts of interest.
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- Any arbitrary action in the procurement process.

RFPs must incorporate a clear and accurate description of the technical requirements for the material, product, or service and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. A clear and accurate description of the technical requirements to be procured must be included and the description must not unduly restrict competition. When impractical to otherwise describe the technical requirements, a “brand name or equivalent” description may be used as a means to define the procurement, but the specific features of the named brand that must be achieved are to be clearly stated.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that are involved in developing or drafting specifications, requirements, statements of work, or invitations for bids or RFPs must be excluded from competing for such procurement.

CDISC should also conduct procurement activities in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

A procurement form (refer to CIP 005) must be used to formalize evaluations of the proposals received and for selecting recipients.

Contracts must be awarded to the firm whose proposal is most advantageous to the program with price and the other evaluation factors considered.

5. Competitive Proposals: Purchases above US\$250,000

CDISC has elected the 2018 National Defense Authorization Act Simplified Acquisition threshold of \$250,000 for competitive proposals. Requirements are the same as for large proposals. In addition, the RFP must be publicized through one or more of the following:

- A 30-day notice on the CDISC website.
- A 30-day notice on two industry-appropriate websites or bid aggregators where proposals for similar goods or services are advertised.

- Providing the RFP to no less than four unrelated firms which management recognizes can perform the service/provide the good.

Based on the nature of CDISC's procurement activities, sealed bids are not applicable, CDISC will only obtain competitive bids.

6. Noncompetitive Proposals:

This method may be used only when one or more of the following circumstances apply:

- The item/service is available only from a single source.
- An emergency requirement will not permit a delay resulting from competitive solicitation.
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request form.
- After solicitation of a number of sources, competition is determined inadequate.

The justification for using the noncompetitive proposal method should be formally documented.

When using the noncompetitive method, every effort should be made to ensure the best and lowest price is achieved.

7. Time and Materials Contracts:

Time and materials contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. A time and materials type contract is a contract whose cost to the organization is the sum of: the actual cost of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, time and materials contracts provide no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the organization must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

8. Contractual and Administrative Issues:

All contractual and administrative issues arising out of procurement will be settled in accordance with good practice and sound business judgment. These issues include, but are not limited to, source evaluation, protests, disputes and claims. Such issues will be brought to the attention of the appropriate leadership and the COO for establishing a process and steps for addressing the issue.

4 Procurement Process

- Check the list of existing approved vendors for the goods/services that are being sought to avoid duplicate purchases.
- If none of the existing vendors can provide the goods/services, determine the procurement method to be used based on the cost thresholds listed above.
- Appropriate selection steps must be documented on the procurement control form.
- Department head or CDISC leadership must approve final selection as per CDISC delegation of authority matrix, by signing the procurement control form.
- Once a supplier is selected, send the supplier name and tax id to accounting to check against the Federal debarred companies list.
- Once the contract is signed, accounting will collect tax and vendor enrollment forms (refer to CIP 005).
- For recurring or long-term (3 or more years) contracts, an evaluation checklist must be included in the procurement control form and performance evaluation made regularly.

As part of the maintenance of the Approved Vendor List, the CDISC staff member overseeing contractor's work will complete, annually, an evaluation of the contractor's performance and document that evaluation on the Vendor Evaluation Form (see CIP 005). The evaluation will assess whether or not the contractor's performance is in accordance with the terms, conditions and specifications of the contract. Completed evaluation forms will be returned to, and maintained by, the Accounting Department. Any evaluation resulting in an overall unsatisfactory rating and a recommendation to discontinue the relationship with the contractor will be forwarded by the Accounting Department to the COO and the Executive Staff member responsible for the relationship with the vendor.

5 Procurement Files Maintenance

1. Supplier Selection Documentation:

All source documents supporting a given transaction (from selection process to contract and invoice) will be retained and filed in an appropriate manner by the accounting department. This is to ensure that a clear and consistent audit trail is established.

Before payment is made, the department head must confirm that services performed are adequate and consistent with the contract.

2. Approved Vendor List:

For recurring purchases, a list of approved vendors will be maintained by Accounting. Regular evaluation of the contractor or supplier performance will be coordinated by Accounting, to provide assurance that the goods or services purchased are being delivered within the scope of the contract and with the expected level of quality and timeliness.

- 1) Annually, for each approved vendor, the Accounting Department will send a Vendor Evaluation Form (refer to CIP 005) to the CDISC staff member who has engaged the vendor.

- 2) The CDISC staff member will complete the form, evaluating the overall performance of the vendor and indicating whether or not the vendor should remain on the approved vendor list.
- 3) The completed form will be returned to the Accounting Department and the approved vendor list will be updated based on the completed evaluations.

6 Code of Conduct

All CDISC representatives (employee, officer, Board member) must abide by the CDISC Code of Ethics and Conflict of Interest policy (CDISC Policy 001) when participating in the selection of suppliers. In particular, no CDISC representative may participate in the supplier selection or administration of a contract, if he or she has a real or apparent conflict of interest.

CDISC employees and representatives must follow the CDISC Policy 001 with regards to accepting gratuities, favors or any gift of monetary value from suppliers or potential suppliers. Employee and representative may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Gifts of nominal value may be accepted in accordance with the CDISC ethics policy.

Any CDISC employee or representative who knowingly and deliberately violates the provisions of the above code may be open to civil suit by CDISC without the legal protection of CDISC. Furthermore, they may be subject to disciplinary action, up to and including dismissal, or such sanctions as available under the law. Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be barred from future transactions with CDISC.

7 Authorization

This document has been approved and is in effect on this date:

Name	CDISC Board of Directors
Date	21 August 2024