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UNIVERSITY OF MARYLAND COLLEGE PARK FOUNDATION, INC.  
PROCUREMENT POLICIES AND PROCEDURES

SECTION I. – INTRODUCTION

The Board of Trustees of the University of Maryland College Park Foundation, Inc. approved on \_\_\_\_\_, 2004, these procurement policies and procedures for the governance of procurement by the University of Maryland College Park Foundation, Inc. Furthermore, the Board of Trustees has delegated to the Chief Financial Officer of the University of Maryland College Park Foundation, Inc. the authority to implement these policies and procedures.

SECTION II. – PURPOSE

These procurement policies and procedures are designed to support and facilitate for the benefit of the University of Maryland College Park, its mission, goals, and programs, or for any or all of the educational support activities that may be conducted by the University of Maryland College Park through the acquisition of goods and services by applying best methods and business practices that provide for public confidence in its procurement system.

This document establishes policies that are relevant to the University of Maryland College Park Foundation, Inc. and provide for a procurement process of quality, integrity, broad based competition, fair and equal treatment of the business community, increased economy in the procurement process and uniform procurement procedures.

SECTION III. – APPLICABILITY

These Policies apply to contracts by the University of Maryland College Park Foundation, Inc. for the acquisition, rental, purchase or lease of supplies, services, maintenance, capital improvements, and Architectural and Engineering services.

1. A procurement contract executed before the effective date of these Policies or Procedures shall be governed by those laws, policies, and procedures in effect at the time of the contract execution.
2. The Board of Trustees may, from time to time, amend these policies and procedures in order that they remain consistent with current best methods and business practices.

Exclusions:

1. The lease, sale, purchase, transfer, disposal or any other action involving an interest in Real Property.
2. Purchases for the purposes of resale or remanufacture and subsequent resale.

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3. Any procurement or contract to the extent of any conflict with a governing federal law, regulation, assistance instrument, or other requirement; or the terms of any gift.
4. Alterations to University buildings, building equipment, or building systems. For these kinds of purchases, contact University of Maryland Facilities Management. The University of Maryland College Park Foundation will reimburse the state accounts as appropriate.

SECTION IV – PROCUREMENT METHODS

Set forth below are the generally accepted methods of procurement, which may be adjusted, from time to time in the best interest of the University of Maryland College Park Foundation to reflect current business practices.

1. Small Procurement (under \$2,500)

Where the procurement order is under \$2,500, competition is preferred, but is not required. The Small Procurements method does not require a purchase order and the amount will not be encumbered or appear on the financial statements until paid. (A purchase order can be obtained from the University of Maryland College Park Foundation if the vendor requires one.) The College or department will submit a disbursement request form (Appendix A) with the original invoice. The College or department is responsible for maintaining records to ensure the account is adequately funded for these purchases.

2. Informal Competitive Procurement (\$2,500 and over but less than \$25,000)

Where the procurement order is \$2,500 and over but less than \$25,000, competition from at least three vendors will be sought on an informal basis. Telephone quotes are acceptable under \$10,000. From \$10,000 but less than \$25,000 informal written bids on the vendor's letterhead are required. In order to provide adequate control, a purchase order must be obtained from the University of Maryland College Park Foundation before the order is accepted by submitting a disbursement request form (Appendix A) and a summary form of the informal quotes or the informal bids obtained. The purchase order will encumber the funds and the encumbrance will appear on the financial statements.

3. Procurement by Contract (\$10,000 and over)

Procurement with vendors providing services outside the University of Maryland \$10,000 and over must have a written contract that has been reviewed and approved by the Chief Financial Officer of the University of Maryland College Park Foundation before work commences. The Chief

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Financial Officer must sign the contract for orders \$10,000 and over. A purchase order must be obtained from the University of Maryland College Park Foundation before acceptance of the order by submitting the contract, a disbursement request form (Appendix A), and the informal bids or competitive bids. The purchase order will encumber the funds and the encumbrance will appear on the financial statements.

The College or department should make certain that an independent contractor satisfies the IRS definition of this designation. Go to [www.irs.gov](http://www.irs.gov) for details on the IRS definition of independent contract. Attached is "Employee or Independent Contractor?" (Appendix B.) An example of an independent contractor contract is attached in the Appendix (C).

4. Competitive Procurement (\$25,000 and over)
5. For an order \$25,000 and over competition will be sought to the extent practical considering such factors as the availability of vendors, dollar value of the procurement, time available to make the procurement including delivery time, and sound business judgment, consistent with the best interest of the University and the funding source. See Part 3 - Procurement by Contract (\$10,000 and over).
  - A. The College or department will solicit quotations from a reasonable number of sources with a minimum of three.
  - B. The College or department will consider factors such as the following when deciding how many quotations will be solicited:
    - i. Nature of the item or service to be purchased and whether it is highly competitive and readily available; or if it is relatively non-competitive;
    - ii. Information obtained in making recent purchases of the same or similar item(s);
    - iii. The urgency of the proposed purchase;
    - iv. The dollar value of the proposed purchase; and
    - v. Past experience concerning a specific vendor's pricing.
  - C. The proposed competitive process must to be reviewed and approved by the University of Maryland College Park Foundation before it begins.
  - D. Adequate records will be kept of the competitive process and submitted with the disbursement request form. If this vendor is a sole source, written justification documenting the conditions that preclude the use of a competitive process is required.

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- E. The use of the University Policies on Procurement as a guide where practical is strongly encouraged.
- F. A purchase order must be obtained from the University of Maryland College Park Foundation before acceptance of the order by submitting a disbursement request form (Appendix A) with the competitive bids. The purchase order will encumber the funds and the encumbrance will appear on the financial statements.
- G. Protests and claims will be administered and settled through the College or department.

### SECTION V – RESTRICTIONS

The College or department is responsible for ensuring all procurement is in compliance with the respective MOU, account agreement, grant approved budget, or with any restrictions imposed by the donors.

Purchases from University employees and members of their immediate families are generally prohibited.

### SECTION VI - INVENTORY CONTROL

Equipment purchased by the University of Maryland College Park Foundation, Inc. becomes the property of the University of Maryland unless excluded by the terms of a MOU or grant. Capital equipment (\$5,000 and over and computer equipment) and sensitive equipment (\$500 and over) are reported using the Inventory Control form (Appendix D) to the Comptroller's Inventory Control Office with a copy to the University of Maryland College Park Foundation. Sensitive equipment is defined as equipment at most risk of removal, personal use, or resale, such as calculators, audio-video equipment, and telecommunications equipment. It is the College or department's responsibility to maintain inventory control of equipment under \$5,000 and sensitive equipment under \$500.

### **Independent Contractors**

The University of Maryland College Park Foundation (UMCPF) requires that independent contractor agreements be submitted for review and approval by UMCPF ***prior*** to the time when a commitment to perform the services is given. A completed IRS form W-9 (Request for Taxpayer Identification Number and Certification) must be on file before payment is made. Please note that invoices for payment to independent contractors that are submitted without having an approved contract on file may not be paid.

UMCPF will follow IRS guidelines established regarding independent contractors. Payments for services performed by persons who appear to be employees per IRS guidelines should be run through the University payroll system. The IRS uses a 20-factor test to assist in making the determination between employee and independent contractor. The factors are listed on the next page.

The submitted contract agreement form must be certified by one of the persons that have been granted signature authority on the account where the expenditure is to be paid that the individual is an independent contractor.

## **Employee vs. Independent Contractor**

The person is an *Employee* if:

1. The individual reports to a staff member of the department who has the right to control how the individual does the work.
2. The department is providing on-going training and direction to the individual.
3. The services of the individual are integrated into the operations of the department.
4. It is required that the services are to be rendered personally by the individual.
5. The department provides additional personnel and support to the individual.
6. There is a continuing relationship (the individual is hired for more than a one-time task).
7. Set hours of work are established.
8. The individual is working exclusively or substantially full time for the department.
9. The work is performed on the department's premises.
10. The services to be performed are required to be done in a set order or sequence, rather than by general directions with the objectives of the task.
11. Oral or written reports are required.
12. Payment is on an hourly, weekly, or monthly basis as opposed to a specific amount of money on a per-job basis.
13. The individual receives reimbursement for travel and business expenses.
14. The department provides the individual's supplies, equipment, tools, or office space.
15. The department has the right to discharge the individual at will. The individual can quit prior to completion of the project without incurring legal liability.

The person is an *Independent Contractor* if:

16. The individual maintains a separate business with his own work facility, equipment, materials, or similar accommodations.
17. The individual can realize a profit or suffer a loss as a result of performing the services.
18. The individual performs services for more than one business at a time.
19. The individual makes their services available to the general public.
20. The individual is responsible for the satisfactory completion to work or services that they perform or agree to perform and is or could be held liable for failure to complete the work or services.

***Contract Agreement***

This contract entered into this            day of            20    , by and between ***the University of Maryland College Park Foundation, Inc.*** acting on behalf of the            (account name) (hereinafter “Foundation”) and            (Contractor), whose legal address (shall serve as address of notification) is            , and whose social security number is            .  
The parties hereby agree as follows:

***ARTICLE I: TERM***

The term of this contract shall be from            through.

***ARTICLE II: TERM: SCOPE OF WORK***

The contractor agrees to perform the services described as follows:

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***ARTICLE III: TERM SITE OF WORK***

Primary services will not be performed at the office of the Foundation or the University.

***ARTICLE IV: COMPENSATION***

The Foundation agrees to pay Contractor an amount not to exceed            for performance of the services set forth in Article II.

The Foundation will not be responsible for any expenses or costs incurred by Contractor in carrying out the terms of this agreement. If reimbursements for expenditures are agreed upon, the following items are allowed:            .

***ARTICLE V: AGENTS FOR THE FOUNDATION***

Contractor shall not be considered an employee of the Foundation during the period of this agreement and is responsible for their own state and federal, Social Security, and unemployment taxes, and is not an agent of the Foundation, and cannot commit the Foundation to any expenditure of funds or enter into any contractual obligation on behalf of the Foundation.

**ARTICLE VI: TERMINATION FOR DEFAULT**

If the contractor fails to fulfill their obligation under this contract properly and on time or otherwise violates any provision of the contract, the Foundation may terminate the contract by written notice to the contractor with no financial liability.

**ARTICLE VII: INDEMNIFICATION**

Neither the Foundation nor any of its agents, employees, representatives, or officers shall be liable for any personal injury to, or death of, any employee of Contractor or Contractor's agents, representatives or sub-contractors, however caused, or any damage to or loss of property of Contractor, however caused. The Foundation is not obligated to provide insurance of any kind.

**ARTICLE VIII: MODIFICATIONS**

This contract shall not be deemed or construed to be modified, amended, extended, rescinded, canceled or waived in whole or in part except by written amendment of the parties.

**ARTICLE IX: ENTIRE AGREEMENT**

This contract constitutes the entire agreement between the parties with respect to the subject matter hereof, and shall inure to the benefit and shall be binding upon the parties, their respective successors and permitted assigns. This contract shall be governed by the laws of the State of Maryland. All legal actions must be brought in the courts in the State of Maryland or in the U.S. District Court for the District of Maryland.

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Contractor Signature [Date]

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Account Holder Authorized Signature [Date]

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UMCPF Authorized Signature [Date]

**The University of Maryland College Park Foundation, Inc.**  
**Certification Page**  
**(To be submitted with Independent Contractor agreements)**  
**Employee vs. Independent Contractor**

The person is an *Employee* if:

21. The individual reports to a staff member of the department who has the right to control how the individual does the work.
22. The department is providing on-going training and direction to the individual.
23. The services of the individual are integrated into the operations of the department.
24. It is required that the services are to be rendered personally by the individual.
25. The department provides additional personnel and support to the individual.
26. There is a continuing relationship (the individual is hired for more than a one-time task).
27. Set hours of work are established.
28. The individual is working exclusively or substantially full time for the department.
29. The work is performed on the department's premises.
30. The services to be performed are required to be done in a set order or sequence, rather than by general directions with the objectives of the task.
31. Oral or written reports are required.
32. Payment is on an hourly, weekly, or monthly basis as opposed to a specific amount of money on a per-job basis.
33. The individual receives reimbursement for travel and business expenses.
34. The department provides the individual's supplies, equipment, tools, or office space.
35. The department has the right to discharge the individual at will. The individual can quit prior to completion of the project without incurring legal liability.

The person is an *Independent Contractor* if:

36. The individual maintains a separate business with his own work facility, equipment, materials, or similar accommodations.
37. The individual can realize a profit or suffer a loss as a result of performing the services.
38. The individual performs services for more than one business at a time.
39. The individual makes their services available to the general public.
40. The individual is responsible for the satisfactory completion to work or services that they perform or agree to perform and is or could be held liable for failure to complete the work or services.

**Certification**

**I certify that \_\_\_\_\_ is an independent contractor based on the criteria above.**

\_\_\_\_\_  
(Signature of UMCPF Account Holder)

\_\_\_\_\_  
(UMCPF Account Number)

Appendix D

The University of Maryland College Park Foundation, Inc.  
7309 Baltimore Ave., Suite 217  
College Park, Maryland 20740

**Inventory Control Form**

DEPARTMENT/UNIT:

ADDRESS:

PHONE NUMBER:

TYPE OF EQUIPMENT:

SERIAL NUMBER:

DATE OF PURCHASE:

COST OF EQUIPMENT:

PLEASE INDICATE THE LOCATION OF THE EQUIPMENT, IF NOT AT THE ABOVE ADDRESS,  
AND SERIAL NUMBER(S). MAIL TO INVENTORY CONTROL, 4100 CHESAPEAKE BLDG.

**THIS EQUIPMENT WILL BE TRANSFERRED TO THE UNIVERSITY OF MARYLAND COLLEGE PARK**

A copy will be sent to the department at your institution that handles inventory, for additional processing, as appropriate. Thank you for your cooperation.

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For Office Use Only

Check Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Vendor: \_\_\_\_\_