

Episcopal Diocese of Fort Worth

Procurement Policy

Policy Number: B-1
Adopted: May 15, 2010

PURPOSE:

This Policy provides for the efficient and effective procurement of supplies, equipment, services and construction at prices favorable to the Diocese; Parishes, and Missions in compliance with the requirements set forth in the canons and *Manual of Business Methods in Church Affairs*.

CANONICAL REFERENCES:

Constitution and Canons for the Government of the Episcopal Church: Title I, Canon 7: - Of Business Methods in Church Affairs. The Canons of the Episcopal Church set forth the general responsibility and accountability for the stewardship of the Church's money and property. Title I, Canon 7 specifically addresses the business methods prescribed for every diocese, parish, mission, and institution subject to the authority of the Episcopal Church. The *Manual of Business Methods in Church Affairs* identifies requirements and seeks to provide helpful advice on sound, practical internal controls, accounting guidelines and business practices, especially, Chapter II, Section A, Purchasing.

EDFW Constitution, Article 11 – The Executive Council: There shall be an Executive Council, established by the Canons, which shall exercise all the powers of the Convention between meetings thereof, implementing the directives and policies of that body, initiating and developing new work, but not acting in conflict with the expressed will of the Convention.

Canon 14.3: Commission on Church Architecture and Allied Arts, Plan Approval. All Parishes, Missions and Diocesan Institutions receiving financial aid from the Diocese, including Assessment adjustments, or seeking approval to encumber Diocesan Corporation Property, must submit to the Commission and obtain its approval of plans for the proposed erection of church structures or major alterations to existing church structures.

Canon 18.1: Title to Property. The Title to all property now owned and hereafter acquired by the Diocesan Corporation for its use and benefit and for the use and benefit of Parishes, Missions and Diocesan Institutions shall be held in the name of said Corporation and may only be conveyed or encumbered with the approval of the Board of Trustees and in accordance with the Constitution and Canons of the Episcopal Diocese of Fort Worth.

POLICY:

1. Authorizations and Approvals.

1.1. The term “procurement”, as used in this Policy, includes the purchase, lease, or rental of supplies, services and equipment and contracting for services and construction, repairs and improvements.

1.2 This Policy shall apply to all expenditures of funds for procurement by the Diocese, Parishes, or Missions irrespective of the source of funds. This includes procurements for the Diocese, Parish, or Mission, where reimbursement of the cost for the procurement is anticipated.

1.3. All procurement must be provided for in the current, approved Diocesan, Parish, or Mission budget, and for which adequate funds are available to make the procurement. If restricted funds are used, the procurement must satisfy the restrictions for the use of those funds.

1.4. All procurements must be pre-approved by the appropriate authorized official{s}.

1.5. The Bishop or his designee is authorized to incur debt on behalf of the Diocese up to \$5,000. Procurements greater than \$5,000 must be approved by the Executive Council.

1.6 Contracts may only be executed after appropriate legal review by the Diocese Chancellor or any special counsel so designated.

1.7. Plans for the proposed erection of church structures or major alterations to existing church structures must be approved by the Commission on Church Architecture and Allied Arts.

1.8. Real property may only be conveyed or encumbered with the approval of the Bishop, Standing Committee, and Diocesan Corporation Board.

1.9. The Diocesan Conflict of Interest Policy applies to all procurements.

2. Procurement Methods.

2.1. The Diocese, Parishes and Missions shall develop and maintain vendor lists for the procurement of supplies, services, and equipment.

2.1.1. A reasonable vendor list:

- a. Will include the names of vendors and types of supplies, services, and equipment offered;
- b. Will include at least three vendors for each type of supply, service, and equipment anticipated for procurement. If fewer reliable vendors

are identified, the person who develops and maintains the vendor list will confirm in writing that fewer reliable vendors exist;
c. Will be reviewed and updated at least annually.

2.1.2. The person who develops and maintains the approved vendor list should not be the same person who solicits quotes (bids), but in small offices there may be no other option. The approving official can not be the person who develops and maintains the approved vendor list.

2.3. For procurements involving a total purchase price of less than \$5,000.00, the purchasing person will obtain at least three verbal or telephone quotes from different vendors. He or she will document the substance of those quotes, and specifics (i.e., vendor name, date, time, contact person, reasons) for those not choosing to quote. . Award shall be made to the vendor providing the lowest price, unless justified in writing based on other specified factors that are of the best interest to the Diocese, Parish, or Mission. For non-recurring small purchases less than \$250, competitive quotes are not required.

2.4. For procurements over \$5,000.00 but less than \$25,000.00 obtain three or more written quotes, whenever possible, and document and retain those quotes for a period of at least two years. Award shall be made to the vendor providing the lowest price, unless justified in writing based on other specified factors that are of the best interest to the Diocese, Parish, or Mission.

2.5. Procurements over \$25,000.00 shall be made pursuant to a competitive bidding process. An invitation for bid shall be issued including specifications and all contractual terms and conditions applicable to the procurement; including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements set forth in the invitation for bids. An abstract of bids shall be tabulated. The Diocese, Parish, or Mission may at its discretion reject all bids and obtain new bids. As used herein, reference to “bid” also includes “proposal.”

2.6. Procurement of professional services may be obtained through qualification based procurement. The request for proposals shall identify the evaluation factors, where price is not used as a selection factor. The most qualified competitor shall be selected on the basis of such evaluation subject to the negotiation of a fair and reasonable compensation.

3. Procurement Process.

3.1. A purchase request form, signed by the requestor and approved by a person with higher authority, must be prepared for all procurements. The request form shall show what is needed in enough detail and clarity so that the approving official and the vendor(s) have no question as to what is wanted. The form should also show an estimated cost for the procurement and where it can be purchased.

3.2. The approving official must ascertain (1) that the purchase is necessary and appropriate to achieve the stated need; (2) that the estimated cost is reasonable for the stated need; (3) that there are no outstanding commitments to avoid budget overruns; (4) that sufficient and appropriate funds remain in the budget to fund the purchase; (5) that all other approvals have been obtained; and (6) that the appropriate procurement method is used.

3.3. The purchasing person will solicit quotes (bids) in accordance with the approved vendor list and procurement method. A standard quote (bid) form will be used to insure that the same information is obtained from each vendor. Requestors should be discouraged from making purchases, but in small offices there may be no other option. A quote (bid) summary tabulation will be completed for all procurement requiring multiple quotes (bids). The tabulation will document the reason for selection of the vendor and be signed by the approving official.

3.4. Centralized purchasing and blanket purchase orders of office supplies, spare parts, etc. are highly encouraged in order to take advantage of quantity discounts from vendors.

3.5. A standard receiving report must be used to insure that vendors and contractors perform in accordance with their contract. The receiving report shall provide for the inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and other related matters.