

Episcopal Diocese of Fort Worth

Procurement Policy

Policy Number: B-1
Adopted: March 12, 2011

PURPOSE:

This Policy provides for the procurement of supplies, equipment, services and construction in accordance with the requirements and guidance 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.

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. This Policy applies to the Diocese, Parishes, and Missions. Parishes may have more restrictive policies provided that they are in compliance with this policy.

1.2. 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.

1.3. Funds must be available and sufficient in the appropriate account of the currently approved budget prior to the approval of the intended 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 \$7,000. Procurements greater than \$7,000 must be approved by the Executive Council. This provision does not apply to Parishes, except that Parishes may not create debt that encumbers real property without approval in accordance with Canon 18.1.

1.6. Contracts may only be executed after appropriate legal review by the Diocese Chancellor or any special counsel so designated. This provision does not apply to Parishes, except in those situations when real property is being conveyed or encumbered. Parishes and Missions may request assistance from the Chancellor in accordance with Canon 6.

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.

1.10. Procurement records must be maintained in accordance with Diocesan Records Retention and Maintenance Policy.

2. Procurement Methods.

2.1. Vendor lists should be developed and maintained for the procurement of each type of supplies, services, and equipment, normally used in the daily operations of the church., including emergency needs.

2.1.1. . The purpose of vendor lists is to minimize the search for qualified, reliable, dependable, and available vendors who can provide the desired procurement when you need it and at a reasonable price. The Diocese, Parishes, and Missions are encouraged to work together to develop, maintain, and share vendor lists. Vendor lists should be reviewed and updated 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 non-recurring small purchases less than \$500, competitive quotes are not required.

2.4. For procurements over \$500, but less than \$5,000.00, solicit face-to-face or telephone quotes from at least three different vendors. If less than three quotes were obtained, document the reason 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.

2.5. For procurements over \$5,000.00, but less than \$25,000.00, solicit written quotes from at least three different vendors. If less than three quotes were obtained, document the reason 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.

2.6. 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.”

2.7. 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. Procurement requests should be written, dated and signed by the requestor and approving official. The request should 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, e.g., description, quality, quantity, delivery instructions, selection factors, etc. The request 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) using the appropriate vendor list and procurement method. When soliciting face-to face or telephone quotes, the purchasing person should develop a list of questions to ask each vendor and document the substance of each vendor's response, e.g., vendor name, date, time, contact person, what is being provided, delivery date, and price, to insure that the same information is requested and obtained from each vendor. Face-to-face, telephone, or written quotes must be reviewed to insure that the product or service that is being provided by the vendor is the product or service that is being requested. The quotes and selection factors should be tabulated to insure that the information from each vendor can be more easily reviewed and compared.

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. Procurements must be inspected to insure that vendors perform in accordance with the purchase agreement or contract. The inspection must be documented to include date of inspection, who inspected, statement concerning the acceptance of the quantity, quality and timeliness of the procurement provided, and whether the inspection was interim or final. The inspection must be done by a person qualified to do the work.