

PROCUREMENT ORGANIZATIONAL CONFLICT OF INTEREST

Responsible Officer: Director
Responsible Unit: Research Administration
Effective date: July 1, 2018

Purpose

This guidance provides the standard of conduct for organizational conflicts of interest related to procurement actions using Federal funds in compliance with [§2 CFR 200.318\(c\)\(2\)](#). An organizational conflict of interest exists where a financial relationship between the University and an external entity compromises the integrity of institutional decision-making. Due to relationships with a parent company, affiliate, or subsidiary organization, the University may be unable or appear to be unable to be impartial in conducting a procurement action involving a related organization. The intent with this guidance is for the University to provide clear standards aimed at preventing any procurement organizational conflicts of interest from compromising its objectivity in the performance of its responsibilities.

Process

I. Office of Sponsored Programs (OSP)

University

Identified procurement activities with affiliated entities of the University on Federal awards and those sponsors requiring Federal standards will be reviewed. The Conflict of Interest Program will be notified of the need for review on these actions.

Subawards

As part of the subrecipient process, subrecipients are required to complete the subrecipient commitment form, and all applicable terms and conditions are flowed down in the executed subaward agreement, indicating compliance where applicable.

II. Conflict of Interest Program (COI)

Review will be conducted under the standards set by Federal regulations and those used by the State of North Carolina. A bidding process shall be required for all situations in which a sole source justification is not necessary. Purchases can be made under [N.C.G.S. 143-129\(e\)\(g\)](#) which allows for purchases of apparatus, supplies, materials, or equipment to be made using sole-source exception when: (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration. In addition to these standards, the review may take into consideration other standards as applicable.



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The review is not intended to replace or bypass the typical University review processes administered by the Office of Sponsored Programs, the Division of Finance or other applicable University offices.

This review will be conducted by the COI Officer and the Director of Internal Audit or their designees. Documentation of their review will be maintained by the COI Program. A decision on the identified procurement activity will be required before procurement activities will be processed.

References

- Uniform Guidance (General Procurement Standards): [§2 CFR 200.318\(c\)\(2\)](#)
- N.C. General Statute, Procedure for Letting of Public Contracts: [N.C.G.S. 143-129\(e\)\(g\)](#)