

BioBAT, Inc.
Procurement Policy

June 10, 2015

ARTICLE I

Purpose

The purpose of the Procurement Policy is to promote open and free competition in procurement transactions to the maximum extent practical, so that procurements are priced competitively and meet the technical, programmatic, and/or performance requirements of the purchase.

The policy governs procurement transactions made by BioBAT, whether the purchases are made using restricted or unrestricted funds.

ARTICLE II

Definitions

Consortiums: Purchasing groups that collaborate on procurement opportunities resulting in lower purchase price of goods and services by aggregating the purchase power of members.

Sealed bid or proposal: A supplier's written statement of a price and any other information requested, in response to a solicitation for a bid or proposal, which is received in a sealed envelope, then opened and evaluated by BioBAT in a meeting.

Verbal Bid or Proposal: A supplier's oral statement of price and any other information requested, made in person or on the telephone, in response to a BioBAT solicitation for a bid or proposal.

Written Bid or Proposal: A supplier's written statement of price and any other information requested, in response to a BioBAT solicitation for a bid or proposal.

ARTICLE III

Statement of Policy

All purchases require selection of vendors, suppliers, products, or services that meet BioBAT's technical, programmatic, or performance requirements for the goods and services and that are reasonably priced.

Suppliers that develop or draft specifications, requirements, statements of work, or requests for bids or proposals for a procurement must be excluded from competing in any resulting procurement unless all potential bidders are given equal opportunity to participate in the development of such specifications.

Any and all bids or offers may be rejected when it is in BioBAT's best interest to do so.

When Bids and Proposals are Not Required

Competitive bids or proposals are not required for the following procurements:

1. Purchases that qualify as a sole source procurement because the product or service procured is unique to one source or the requirements for the product or service can only be met by one supplier or contractor

2. Purchases that qualify as single source procurement because of limited circumstances that justify procurement without open competition

All single or sole source procurements require documentation of solicitation elements that includes a clear and accurate description of the technical and programmatic requirements for the material, product, or services being procured.

When Bids and Proposals are Required

For all other procurements not identified above, solicitations of bids or proposals are required as follows:

- The "Total Purchase Amount" must be based on the reasonably expected aggregate total dollar amount of the purchase of the specified goods or services from the specified vendor or supplier within a twelve (12) month period commencing on the date of purchase;
- If the procurement is reasonably expected to continue longer than 12 months the Total Purchase Amount must be based on the reasonably expected value as specified in the agreement with the vendor or supplier;
- The expected purchases must not be artificially divided, and unjustified single or sole source procurement must not be used for the purpose of circumventing the thresholds for required solicitation of bids.

Total Purchase Amount	Requirement for Solicitations of Bids or Proposals
up to \$100,000 (small purchase threshold)	No requirement for solicitations of bids or proposals. When the same suppliers are used repeatedly or on an ongoing basis for various procurements within this range, pricing and quality of the goods and services must be reviewed periodically and the results maintained in a supplier procurement file.
over \$100,000	Solicitation of written bids or proposals required, and procurement requires selection from a minimum of three written bids or proposals.

The competitive bid process or the single or sole source justification related to procurement is limited to the period defined by the agreement with the vendor including any agreed-upon extensions or options for extensions or renewals.

If a change to or renewal, extension, or continuation of a procurement that was not competitively bid would result in an actual aggregate expenditure that exceeds the thresholds for required solicitation of bids, it must be approved by the BioBAT Board of Directors.

ARTICLE IV

Vendor Solicitation Requirements

The vendor solicitation process must be documented, and vendor solicitations must be retained in the files for procurements exceeding the small purchase threshold as described above.

All transactions and activities related to purchasing goods or services from a supplier must comply with the BioBAT "Conflict of Interest Policy."

Where practicable, and with the exception of purchases less than \$250, some form of cost or price analysis must be made and documented in the procurement files for all purchases. Price analysis may be accomplished in various ways including the comparison of price quotations submitted, market prices, or similar assessments.

BioBAT will comply with the specific terms of any grant or contract with a sponsor and must comply with Federal Acquisition Regulation (FAR) requirements for any Federal awards when subcontracting with suppliers from labor surplus areas, small businesses, and small disadvantaged business concerns.

ARTICLE V

Approval Requirements and Authorized Signatories

The Officers of BioBAT are authorized to execute contracts on behalf of the corporation and to bind the corporation to incur costs. Delegation of signature authority by the Officers for contracts is authorized by this policy and may be done with advance notice to the Board by the delegating party.

Authorized parties, whether Officers or those to whom signature authority has been delegated, are authorized to bind the corporation up to \$50,000 without Board approval.

Any contract or engagement which requires payment or payments in aggregate of an amount between \$50,000 and \$250,000 requires advance approval from the Officers.

Any contract or engagement which requires payment or payments in aggregate of an amount exceeding \$250,000 will require advance approval from the Board of Directors.

End of Document

Document Revision History

Revision: 0

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