THE CITADEL

Cover Letter – Procurement Reference Packet

Dear Provost and Academic Deans,

Enclosed is a consolidated reference packet prepared by Procurement Services to support academic leadership in navigating key compliance requirements, institutional responsibilities, and state-mandated procurement procedures. This packet is designed to improve transparency, reduce risk, and ensure consistency across all Schools and Departments.

Contents Included:

1. Background Profile – A summary of relevant qualifications, military experience, and institutional responsibilities.
2. Procurement 101 for Academic Leadership – An overview of procurement fundamentals, signature authority, UAC avoidance, and essential processes.
3. Procurement Dollar Thresholds & Required Actions – Clear guidance on P-Card limits, competition requirements, and formal procurement processes tied to SCCPC.
4. Unauthorized Commitments (UAC) Guidance – Summary of UAC risks, examples, reporting expectations, and the ratification process.
5. Sole Source Executive Reference – A leadership-level briefing on valid sole source conditions, documentation requirements, and common misunderstandings.
6. Procurement Services Points of Contact

Please review these resources and share them with department leadership as needed. The aim is to ensure that everyone has access to accurate, defensible, and compliant information to support decision-making across the institution.

Respectfully,

David K. Hong
Director of Procurement Services
Duty, Honor, Respect

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Background Profile – David K. Hong

Professional Summary

Senior procurement and risk-management executive with extensive experience in institutional contracting, compliance oversight, organizational leadership, and strategic operations. Proven ability to modernize procurement systems, strengthen governance, implement defensible procedures, and lead high-performance teams in complex environments.

Current Role

Director of Procurement Services, The Citadel

- Lead campus-wide procurement, contracting, and compliance operations.
- Ensure alignment with SCCPC, institutional policies, and audit requirements.
- Oversee competitive solicitations, cooperative contracts, sole source evaluations, MPAs, and contract reviews.
- Develop and implement institutional procurement reforms, training programs, and standardized workflows.

Core Competencies

- Procurement Strategy & Governance
- Contract Review & Negotiation
- Risk Management & Audit Readiness
- Budget Oversight & Financial Controls
- IT and Software Acquisition Compliance
- UAC Prevention & Ratification Oversight
- Institutional Policy Alignment
- Leadership, Personnel Development, and Change Management

Military Career (U.S. Army – Retired Lieutenant Colonel)

David's 21-year U.S. Army career began as a Rifle Platoon Leader and culminated in his role as the Director of Support, Plans, and Operations for U.S. Army Central Command's 408th Contracting Support Brigade. Over two decades, he served as an Infantry Officer, Logistics Officer, and Acquisitions Officer, leading organizations across multiple operational theaters and managing complex procurement, sustainment, and contracting missions. His career reflects a progression of leadership roles requiring operational expertise, strategic planning, contracting oversight, and organizational management at the senior-officer level.

Education

- Bachelor of Arts in Political Science – University of California, San Diego
- Master of Business Administration – College of William and Mary (MG James Wright Fellow)

- Advanced military and executive-level education required for senior Army officers and leaders, including command, operations, strategy, and organizational management coursework.

Professional Values

Committed to institutional integrity, accountability, and service. Dedicated to strengthening governance, reducing risk, and enabling academic and operational excellence through principled leadership. Fully committed to the The Citadel's core values of Duty, Honor, and Respect.

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PROCUREMENT 101 FOR ACADEMIC LEADERSHIP

1. Procurement at The Citadel – Executive Overview

The purpose of Procurement Services is to ensure compliance with the South Carolina Consolidated Procurement Code, protect the institution, and support departments in acquiring goods and services in a compliant and defensible manner. Early engagement ensures legal defensibility, proper competition, risk mitigation, and audit readiness.

2. Typical Procurement Process (High-Level Flow)

1. Requirement Identified – Department contacts Procurement early.
2. Market Research & Funding Check.
3. Intake & Documentation (Intake Form, Price Reasonableness, Scope of Work, MPA).
4. Procurement Route Determined (low, mid, high dollar thresholds).
5. Contract Review & Approval.
6. Execution – Vendor signs first; Citadel signs last; PO issued.
7. Performance & Closeout.

3. Signature & Contract Authority

Only individuals with written delegated authority may sign contracts. The Director of Procurement holds delegated contracting authority up to $100,000 for procurement-related agreements within scope. Anything outside this limit or category must be signed by the appropriate senior official per the Contracting Authority and Procedures Memo.

4. Unauthorized Commitments (UACs)

A UAC occurs when an employee commits The Citadel without proper authority. No work may begin without a fully executed agreement and a PO. Examples include: telling a vendor to begin work, agreeing to terms via email, or signing any agreement without routing.

5. P-Card Use – Executive Summary

Appropriate: memberships, conference fees, low-dollar items.
Prohibited: services, software/IT without review, capital assets, split purchases.
Deans must ensure reconciliation compliance at the department level.

6. Keys to a Smooth Procurement Process

- Engage Procurement early.
- Designate a department liaison.
- Use mandatory templates including the MPA.
- Reinforce signature authority.
- Avoid assumptions based on past practice.

7. Quick Reference

Contact Procurement when:
- Considering a purchase
- Receiving any agreement or quote
- Unsure of the process
- Encountering a UAC scenario

Never allow work to begin early or sign anything without routing.

8. Mission Statement

Procurement Services provides compliant, efficient, and defensible pathways for acquiring goods and services while protecting The Citadel from legal and financial risk.

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Procurement Dollar Thresholds and Required Actions

This summary is for Deans and executive leadership. It is intended as a high-level guide and does not replace the South Carolina Consolidated Procurement Code, associated regulations, or The Citadel's official procurement policies. Detailed questions should be directed to Procurement Services.

1. P-Card Purchases (Internal Citadel Policy)

Standard single-transaction limit: Up to $2,500 per transaction (per current Citadel P-Card policy, as communicated by Procurement Services).

Intended for low-risk, low-value, routine purchases. Not to be used for services requiring a contract, software or IT systems, capital assets, or to split purchases to bypass thresholds. All purchases remain subject to audit and monthly reconciliation requirements.

2. Small Purchases – Up to $10,000 (SCCPC §11-35-1550)

Under state law, small purchases not exceeding $10,000 may be made without securing competitive quotations, provided the price is considered fair and reasonable. Documentation of price reasonableness is still required.

At The Citadel, departments should:

- Engage Procurement for any contract, agreement, or terms and conditions.
- Document price reasonableness (quote, catalog, screenshot, or prior pricing).
- Use a purchase order unless the P-Card is an approved method for that purchase type.

3. Purchases from $10,000 to $50,000

Within this range, purchases are still considered "small purchases" under the Code but require documented competition or an approved alternative path.

Typical requirements in this band include:

- Three written quotes from responsible suppliers, or
- Use of an existing statewide or cooperative contract, or
- An approved sole source or emergency justification when appropriate.
- A completed price reasonableness determination.
- A purchase order issued by Procurement Services.
- Contract terms reviewed by Procurement and inclusion of the Mandatory Provisions Addendum when applicable.

4. Purchases Above $50,000

Purchases above $50,000 trigger additional requirements under the Code and are treated as formal procurements from a leadership standpoint. State rules distinguish between small purchases and larger procurements, but for practical purposes Deans can assume that anything above $50,000 will require a formal, structured process managed by Procurement Services.

Key elements generally include:

- Formal competitive process (Invitation for Bid or Request for Proposal) unless a valid exception applies.
- Public posting and formal evaluation as required by the Code and regulations.
- Close coordination with Procurement from the earliest planning stages.
- Use of the Mandatory Provisions Addendum and full contract review.
- Signature by the appropriate delegated official as specified in The Citadel's Contracting Authority and Procedures memo.

5. Signature Authority (Contracting Authority and Procedures Memo)

The President and the Vice President for Finance and Business are the primary contracting officers for the College. Contracting authority is further delegated in writing in Annex A of the Contracting Authority and Procedures memorandum. For procurement contracts and related documents, the Director of Procurement Services holds delegated authority up to $100,000, subject to the requirements of that policy and the South Carolina Consolidated Procurement Code.

Deans, faculty, and staff must not sign agreements, click-through terms, or other documents binding The Citadel unless they have explicit written delegation under that memo. All such documents should be routed through Procurement Services.

6. Leadership Responsibilities

Deans and academic leaders are not expected to administer procurement rules day-to-day, but they are expected to:

- Reinforce that no employee may commit The Citadel without proper authority.
- Ensure early engagement with Procurement on significant or unusual purchases.
- Support training and compliance within their schools.
- Elevate potential Unauthorized Commitments to Procurement promptly so they can be addressed and, if necessary, ratified.

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Procurement Services Policy Letter

Unauthorized Commitment (UAC) Policy

This policy standardizes the required documentation and workflow for resolving Unauthorized Commitments (UACs) at The Citadel. It ensures consistency, compliance with SCCPC §11-35-1570, and audit readiness.

Compliance Warning

Unauthorized Commitments (UACs) are serious violations of state procurement law and institutional policy. Repeated offenses may result in escalated corrective actions, mandatory training, financial repercussions for departments, and formal findings in internal or external audits. Departments are expected to follow established procurement procedures without exception.

1. Definition

A UAC occurs when any employee obligates The Citadel for goods or services without proper procurement authority, an approved contract, or a valid purchase order.

2. Required Documentation (Per UAC Packet)

Each UAC packet must include:

A. **Ratification Memorandum** – Routed through the full approval chain (Department Dean → Procurement Director → Provost). This memorandum serves as the formal ratification under SCCPC §11-35-1570.
B. **Original Agreement** – With original signature dates; no retroactive changes.
C. **Department UAC MFR** – Brief explanation of what occurred and corrective measures.
D. **Procurement Note-to-File** – Documentation of discovery, communication, and corrective guidance.
E. **Supporting Documentation (as applicable)** – Emails, event confirmations, quotes, W-9s, etc.

3. Standard Workflow

A. Identify UAC – Procurement verifies unauthorized action.
B. Notify Department – Department prepares and submits its MFR.
C. Assemble Packet – Procurement compiles all required documents.
D. Prepare MRM – Routed Dean → Procurement Director → Provost.
E. Ratification – Upon Provost approval, payment may proceed.

F. File & Record – Procurement maintains complete digital copies for audit.

4. Department Responsibilities

- Submit UAC MFR promptly.
- Ensure staff follow procurement procedures.
- Implement corrective actions to prevent recurrence.

5. Procurement Responsibilities

- Enforce documentation requirements.
- Guide departments through the process.
- Maintain defensible, complete UAC records.

6. Non-Compliance

Failure to provide required documents will:

- Delay processing
- Be escalated to the Dean
- Be documented as a departmental compliance deficiency

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Sole Source Procurement – Executive Reference

1. What a Sole Source Is

A sole source may be used only when ONE supplier can provide the goods or services and competition is not practicable. Acceptable reasons include proprietary systems, exclusive rights, vendor-controlled integrations, unique expertise, or compatibility requirements. Convenience, preference, prior use, or urgency alone are NOT valid justifications.

2. Common Uses at The Citadel

- IT systems with proprietary components or integrations
- Academic platforms and tools with exclusive licensing
- Specialized equipment requiring manufacturer-certified service
- Copyrighted or patented content and systems

3. Required Documentation

A valid sole source requires:

- Sole Source Justification Form
- Market research showing competition is not practicable
- Price reasonableness determination
- Vendor quote matching the defined scope
- Procurement, CIO (for IT), Legal (if needed), and delegated signature authority approvals

4. Common Mistakes & Misunderstandings

- Confusing preference with sole source
- Assuming past use equals sole source
- Insufficient or missing market research
- Vendor beginning work before routing (creates a UAC)
- Generic scopes that do not support exclusivity
- Attempting to use sole source to avoid competition

5. Scrutiny and Risk

Sole sources face high scrutiny from Internal Audit, State Procurement, external auditors, and grant agencies. Risks include appearance of favoritism, inflated pricing, conflicts of interest, inadequate documentation, and audit findings. Every sole source must stand on its own and survive audit review.

6. Reestablishing Correct Understanding

Correct Principles:

- Sole source is an exception, not a strategy
- Competition is presumed unless proven otherwise

- Procurement determines validity, not departments or vendors
- Vendor language cannot be pasted as justification

Common Misunderstandings:

- 'Only one vendor responded' is NOT a sole source
- 'We used them last year' is NOT a sole source
- 'Faculty prefers them' is NOT a sole source
- 'We're in a rush' is NOT a sole source

7. Executive Summary

Correct Use: Exclusive capability, proprietary rights, true uniqueness
Not a Justification: Convenience, preference, urgency, renewal history
Required: Justification form, price reasonableness, market research, approvals
Outcome: Compliant procurement vs UAC, audit findings, delays

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Point of Contact Sheet – Procurement Reference Packet

This sheet provides executive leadership with direct points of contact for procurement strategy, contracting questions, vendor coordination, and document routing related to The Citadel's procurement operations.

Director of Procurement Services

Name: **David K. Hong**

Title: Director of Procurement Services

Role: Primary point of contact for procurement strategy, contracting guidance, compliance questions, and escalated matters.

Email: dhong@citadel.edu

Office: (843) 953-2737

Procurement Operations

Name: **Jeffrey A. Molloy**

Title: Senior Procurement Analysts

Role: Supports procurement operations, competitive solicitations, and complex contract actions.

Email: jmolloy@citadel.edu

Office: (843) 953-6873

Procurement Operations / Support

Name: **James (Jim) De Luca**

Title: Procurement Analyst

Role: Supports day-to-day procurement actions, documentation, and department-facing coordination.

Email: jdeluca@citadel.edu

Office: (843) 953-6861

Procurement Services – General Inbox

Name: Procurement Office

Role: For routing intake forms, contract submissions, quotes, P-Card questions, and general support.

Email: procurement@citadel.edu

Vendor Management

Name: Vendor Management Support

Role: Primary inbox for vendor onboarding, updates, documentation, and general vendor coordination.

Email: vendor_maintenance@citadel.edu