

5-18-2018

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Recommended Citation

Indiana State University. General Counsel, "Policy Library- 630" (2018). *Policy Library*. 64.
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630 Purchasing

Last updated on: May 18, 2018

Authority: Approved by the Board of Trustees

630.1 General.

The Purchasing and Receiving Department has been charged by the Board of Trustees with the responsibility for the procurement of all materials, equipment, supplies, contracted services, central receiving, and the disposal and sale of surplus materials and equipment. Purchasing and Receiving is delegated authority to develop and enforce Purchasing Procedures consistent with the policy. Additionally, the Board of Trustees has authorized purchases by University Departments that use the ISU procurement card and had delegated authority to establish procurement card program rules for University personnel and departments. The procurement card guidelines can be found at: indstate.edu/purchasing/ProCard/Pcard.htm

630.1.1 Sole Authority. The Purchasing and Receiving Department has the sole authority to order materials, equipment, goods, and services on behalf of ISU and obligate the University for purchase of same, except for purchases made through the procurement card program or as set forth in [Policy 620 Contract Approval, Signatory, and Reporting](#). Any purchases, whether written or verbal, will be recognized only if authorized by or through the Purchasing and Receiving Department, or as a result of the proper use of the procurement card system.

630.1.2 Procurement Standards. Procurement shall be conducted according to Indiana law and, where applicable, Federal law. State law requires that state educational institutions provide the State of Indiana with vendor lists to determine if vendors have an Indiana registered retail merchant certificate and are not delinquent in paying gross retail and use taxes.

630.1.3 Items Not Handled by Purchasing. Contracts other than those identified in this policy are governed by [Policy 620 Contract Approval, Signatory, and Reporting](#).

630.1.4 Emergency Procurement. Emergency procurement procedures may be conducted as provided for in IC 5-16-1-1.6.

630.2 Procurement Methods.

ISU has four basic methods available for procurement: Procurement Cards; Purchase Orders, generated from Requisitions; Direct Payments, generated from a Check Request; and Sole Source Procurement (Noncompetitive Proposals).

630.2.1 Procurement Cards. The standard ISU Procurement Card maximum transaction limit shall be \$1,500, with a maximum total monthly purchase limit of \$3,500. The maximum transaction limit and the monthly total limit may be higher for some departments whose purchasing volume and/or activities warrant higher limits, if requested by a department head, and if approved by the Purchasing Department. The procurement cardholder shall only be required to obtain one quote/proposal, provided that the cardholder determines that the price obtained is reasonable.

630.2.2 Purchase Orders and Requisitions. Purchase Orders may be used for any size purchase and should be used when a transaction amount exceeds a user's procurement card limit.

630.2.3 Direct Payments. Direct payments in the form of a Check Request should be used to pay vendors when a purchase order is not required, when a procurement card cannot be used, or to reimburse employees for items purchased on behalf of the University. Employees should receive advance approval from their supervisor before spending personal funds for University purposes. Purchases not eligible for reimbursement include payments for contracted services and any other unallowable expenditure.

630.2.4 Sole source Procurement (Operating and Restricted Funds). Sole Source is the solicitation of a proposal from only one source when one or more of the following circumstances apply:

- ISU has determined that the good or service is only available from a single source
- For restricted funds where the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity.
- In the case of an emergency.
- After solicitation of a number of sources and the competition is determined to be inadequate, or when only one bid was received.

ISU Purchasing and Receiving may require documentation from the requisitioning department in order to justify why the characteristics inherent in a particular item or service make it essential to the project and in preference to any other offers. ISU shall always be open to proposed alternates, provided that the end user determines that an alternate will meet their needs. Final responsibility in determining whether an item is truly a proprietary item and may be purchased from a sole source rests with the ISU Purchasing and Receiving Department.

630.2.5 Departmental Authorization. The Department Chair, or the Administrative Head responsible for the appropriated funds, or their authorized designee, must approve all Requisitions and Check Requests.

630.3 Policy on Bidding.

630.3.1 Operating Funds. Operating Funds are funds that do not have a third party restriction for a specific purpose and the source of these funds come generally from the State of Indiana, student tuition and fees, or other budgeted operating funds. Indiana State University abides by the laws of the State of Indiana regarding procurement when using operating funds.

630.3.1.2 Purchase Under \$3,500. Purchases may be made on either the Procurement Card, as dictated by the cardholder's limits, or by Purchase Order, without soliciting quotations, if the price is considered reasonable.

There may be instances however where the buyer of items at this dollar level may want to verify pricing in some manner.

630.3.1.3 Purchase \$3,500 or Higher. The Purchasing Department shall attempt to obtain a minimum of at least three written quotes from vendors on Indiana State University forms.

630.3.1.4 Public Works Projects. Public works projects (construction, renovation etc.) are advertised and competitively bid in accordance with laws of the State of Indiana.

630.3.1.5 Standing Purchase Orders. A Standing Purchase Order is a purchase order which stays open for a period of time (for example for a fiscal year) permitting multiple invoices to be billed against the standing purchase order number throughout the period. When the material and/or labor can be identified and is measurable, then the Purchasing Department will solicit bids in order to establish the cost of the time and/or materials for the period of time specified. Where the item to be purchased is not known ahead of time, a standing purchase order will be established with instructions to the supplier stating ISU's expectation that any volume discounts are to be applied.

630.3.2 Restricted Funds. Restricted funds are defined as projects that have been externally funded, have been restricted to a specific purpose, and are generally funded by either federal, state or private funds. Indiana State University abides by the federal guidelines regarding procurement when using federal grants and restricted funds according to Federal Uniform Procurement Guidance 2 CFR 200.320. All university personnel are required to abide by the determination of the Senior Vice President for Administration and Finance or designee in the use of restricted funds.

630.3.2.1 Standing Purchase Orders and Restricted Funds. Standing Purchase Orders cannot be used when restricted funds are to be utilized.

630.3.2.2 Purchases \$3,500 or Under (Micro-Purchases) Using Restricted Funds. Purchases may be made on either the Procurement Card (up to a maximum per transaction amount of \$3,500) or by Purchase Order, or by Direct Pay, without soliciting quotations, if the price is considered reasonable.

630.3.2.3 Purchases Between \$3,501 to \$150,000 (Small Purchase Procedures) Using Restricted Funds. The Purchasing Department shall obtain a minimum of at least two quotes from vendors. If only one quote can be obtained, the procurement transaction will automatically be defined and identified as a Sole Source purchase.

630.3.2.4 Competitive Proposals Greater Than \$150,000 (Non-Public Works Using Restricted Funds). The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used the following requirements apply:

- ISU shall perform a cost and price analysis with every procurement in excess of \$150,000, including contract modifications. Cost estimates will be made prior to receiving bids or proposals.
- If Restricted Funds are to be used, the requesting department must contact the Purchasing Department prior to the solicitation of proposals in order to identify the evaluation factors and their relative importance that will be used to evaluate project proposals and which are to be included and shown in the Request for Proposal.
- Purchases over \$150,000 are to be publicized by posting a Notice to Bidders on Indiana State University Purchasing Department web site.
- Proposals must be solicited from two or more qualified sources. If only one proposal is received the procurement transaction will automatically be defined and identified as a Sole Source purchase.
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

630.3.2.5 Sealed Bids Greater Than \$150,000, (Public Works Projects) Using Restricted Funds.

Public works projects (construction, renovation etc.) using Restricted Funds are advertised and competitively bid in accordance with the laws of the State of Indiana provided that the procurement conforms to applicable federal law. ISU must perform a cost and price analysis with every procurement in excess of \$150,00, including proposed alternates. Estimates must be made before receiving bids or proposals.

Public Works Projects (construction, renovation etc.) are advertised and competitively bid. This process includes development of complete specifications, public notice, sufficient lead-time prior to bid opening, and the public opening of sealed bids. ISU reserves the right to accept or reject any or all bids, and the award shall be made to the lowest and best bid, based upon written documentation from the end user. Value engineering, which is a systematic analysis of each contract item or task to ensure that its essential function is provided at the overall lowest cost, may be used by ISU in determining the bid awardee.

630.3.3 Immediate Action. Certain situations, circumstances, standardized sources, and/or emergency requirements may demand flexibility and/or an immediate solution. The buying staff is expected to interpret, adequately document and handle purchases in the best interests of the University.

630.3.4 Pre-Bid Agreements Established by Outside Entities. ISU may award a contracts to a vendor, or service provider, where the bidding and overarching contract has been established by an outside organization such as the Federal Government - GSA contract, State Government contract, or organizations such as E&I Cooperative (procurement cooperative - owned by the Universities in the U.S.), Midwestern Higher Education Compact (MHEC), U.S. Communities (cooperative purchasing program for schools & government), or comparable organizations as determined by the Purchasing Department.

630.3.5 Time & Materials Contracts. ISU may use a time and material type contract after it has been determined that no other contract is suitable. The ceiling price of the time and materials contract shall be specified on ISU's Purchase Order.

630.4 Board of Trustees Reporting.

Items to be reported to the Board of Trustees include sole source purchases of more than \$50,000, single purchases of more than \$50,000 if a bid other than the low bid was accepted; and accumulated expenditures by vendor in excess of \$250,000 during the fiscal year.

630.5 Prepayment of Orders.

Payment for goods or services shall not be tendered until requested goods or services have been received and approved by the requesting department. The following exceptions exist:

- Payments to local, state, and federal government entities.
- Any procurement of goods or services where the source provides an instrument of security.
- Where the funding agency has authorized prepayment.
- Service and maintenance contracts where necessary.

630.6 Architectural/Engineering (A/E) Services.

The purchasing and Receiving Department may use competitive proposals for qualification-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor shall be selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services.

630.7 Suspension and Debarment.

Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

630.8 Non-Discrimination and Other Laws

Vendors must comply with, Executive Order 11246 as amended that prohibits discrimination on the basis of race, color, religion, sex, sexual orientation, gender identify or national origin.

630.9 Minority, Women, Veteran Owned Business Procurement

Indiana State University is committed to providing minority-owned, women-owned and veteran-owned vendors and contractors every opportunity to compete for ISU business. Efforts will be made to identify, solicit quotes, and communicate with minority-owned, women-owned and veteran-owned vendors and contractors regarding the University requirements and the purchasing process, so that they may become more viable suppliers. Procurement shall be

conducted according to the Governor's Commission on Minority Business Development (IC 4-13-16.5 as amended), Indiana Veteran Owned Small Business program (IC 5-22-14-3.5 as amended) and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 Owned Business shall be the same as those established by the State of Indiana's Indiana Department of Administration (IODA). ISU's goals for the Minority Business Development Program shall be the same as those established by the Governor's Commission.

630.10 Release of Procurement Information

For details concerning the release of procurement information see IC 5-14-3-3 (Right of public inspection of public records).

630.11 Sales Tax

The University is exempt from Indiana sales tax (and sales tax in other States where recognized), local sales tax, and local use tax. When requested, the Purchasing and Receiving Department will furnish a copy of the University's tax-exemption certificate to ISU vendors and contractors.

630.12 Reciprocity

Indiana State University personnel will not participate in reciprocal purchasing arrangements. Indiana State University shall continue to separate purchasing considerations from the objectives of fund-raising endeavors of the institution.

630.13 Code of Ethics

The Purchasing and Receiving staff shall abide by the Code of Ethics of the National Association Educational Procurement (NAEP), as may be notified.

630.14 Conflict of Interest

ISU Purchasing Policies shall follow [Policy 912 Conflict of Interest](#), as well as adhere to IC 35-44.1-1-4 (Conflicts of Interest Involving Public Servants), and 2 CFR 200.112 and 200.318, which governs conflicts of interest in the use of federal funds.

630.15 Purchases for Employees

Indiana State University's Purchasing and Receiving Department shall not acquire goods or services for the personal use of employees.

630.16 Disposal and Redistribution of University Property

When an item no longer is wanted by a user department, the Purchasing and Receiving Department will attempt to redistribute the item within the University based on equitable criteria. Should there be no need for the item within the University, it may then be sold or traded outside the University. University property purchased with Restricted Funds may require prior approval before being reassigned to another area or being disposed of during the life of the externally

funded project and after the project has ended. Consultation with the Office of Contracts & Grants should occur prior to disposal or redistribution.

630.17 University Name, Logo, and/or Marks

Use of the University name, logos, insignia, and/or marks is prohibited without the consent of the University's designee or agent. Items sold utilizing the trademarks of the University without the approval and license shall be subject to seizure and legal action by the University.

Use of University marks for commercial purposes is subject to a license, which may be obtained by contacting the Office of Communication and Marketing.