

Shawnee State University

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1. General Purchasing Policy

- 1.1 Under Ohio Revised Code, Section 3362.04, the Board of Trustees of Shawnee State University has statutory authority to make and enter into all contracts and agreements necessary or incidental to the operation of the University.
- 1.2 The Board of Trustees has delegated, to designated positions within the University, the authority to sign contracts on behalf of the University as outlined in Policy 5.27.
- 1.3 It is the intent of the Shawnee State University Board of Trustees to establish the most effective purchasing policies for the University, in accordance with sound business practices and applicable laws of the state of Ohio. General policies concerning purchasing apply to all funds of the University, regardless of their source.

2. Purchasing Department

- 2.1 Managing the procurement of equipment, supplies, materials, services, and construction for Shawnee State University requires the concentrated efforts of a specialized staff centrally controlling the buying process. Therefore, the Purchasing Department is charged with the responsibility of organizing and administering procurements for all departments of the University in accordance with this policy. The Purchasing Department has been given the following primary responsibilities:
 - 2.1.1 Oversee the purchase of all equipment, supplies, materials, and services required by university departments.
 - 2.1.2 Manage the procurement function in compliance with applicable law, university policies and procedures, and related contracts.
 - 2.1.3 Establish all purchasing rules and procedures, including those related to the Purchasing Card program.
 - 2.1.4 Apply principles of value analysis to the purchase transaction to obtain the best quality and quantity for the price and delivery within the desired time frame.
 - 2.1.5 Test and evaluate various commodities to insure proper balance of quality for the price.
 - 2.1.6 Establish standards for equipment and materials of common use throughout the University.

- 2.1.7 Develop term contracts on behalf of all university departments (i.e., office supply contract, photocopier contract).
 - 2.1.8 Contract for goods and services, in accordance with Policy 5.27.
 - 2.1.9 Participate in the development of inter-university contracts and state of Ohio term contracts.
 - 2.1.10 Oversee vendor relations.
 - 2.1.11 Archive all purchasing related documents.
- 2.2 University departments may purchase supplies or services from external vendors, using one of the following methods:
- 2.2.1 A Requisition/Purchase Order or the University's Purchasing Card is the preferred method for making purchases from external vendors. If the Requisition/Purchase Order method is selected, the Purchasing Department must process the form prior to the purchase being made.
 - 2.2.2 Request for Payment forms are intended for purchases from external vendors who do not accept purchase orders or the purchasing card.
 - 2.2.3 Blanket Orders are intended for use with external vendors who do not accept purchase orders or the purchasing card and from whom departments make frequent, regular purchases.
 - 2.2.4 A Petty Cash Voucher is used for reimbursement of out-of-pocket purchases of \$20 or less.

3. Unauthorized Purchases

- 3.1 Except as noted in this policy, no individual has the authority to enter into purchase contracts or to in any way obligate the University for procurement indebtedness unless specifically authorized to do so by the vice president for business affairs. Individuals who make or participate in making unauthorized purchases or contracts are personally liable to the vendor in accordance with section 3.12 of the Ohio Revised Code. Exclusive of the Petty Cash procedures, the University will not reimburse officers or employees for the cost of any such purchases unless previous arrangements to that end have been made.

4. Ethical and Legal Issues Related to the Purchasing Process

- 4.1 **Conflict of Interest.** University personnel will not enter into contracts for the purchase of materials or services which would constitute an unlawful interest in a public contract. Contracts in which an employee or employee's family has an interest are prohibited unless: 1) that interest is fully disclosed prior to entering the contract or making purchase for the materials or service, and 2) the contract or purchase is determined to be in the best interest of the University, and 3) the contract or purchase is in compliance with the Ohio ethics statutes. See the University's Ethics Advisory and Ohio Revised Code Chapter 102 and Section 2921.42, which are posted on the University's home page under "University Advisories."

- 4.2 **Personal Gifts.** Some vendors, particularly vendors of office and computer supplies, offer free gifts (such as video games, briefcases, and accessory items) with an order. Acceptance of such gifts by any university employee is inappropriate and, therefore, prohibited. The proper method of handling such offers is to request the vendor to deduct the value of the gift from the net cost of the invoice or return the gift to the vendor. If such gifts are received as the result of a purchase, the gift is university property. If the ordering department has no legitimate, official use for the item and chooses not to return it to the vendor, the gift should be forwarded to the Purchasing Department with a completed Equipment Action Authorization form, indicating the property is surplus.
- 4.3 **Personal Purchases.** Purchases for personal use made through the Purchasing Department or in the name of the University are prohibited. Avoiding payment of taxes or using Shawnee State University's tax identification number for other than official purposes is prohibited.
- 4.4 **Purchases by Individuals for University Use.** Purchases by individuals for University use, whether by cash, credit card, or check are strictly prohibited, except when approval by the budget manager is obtained prior to the purchase being made. Recurring exceptions for the benefit of the same individual/department also require the approval of the Purchasing Department.
- 4.5 **"Grey-Market" Purchases.** Occasionally imported products (such as cameras, tape recorders, semiconductor devices, answering devices) will be offered for sale at prices substantially below their true market value, and sometimes below the wholesale or distributor cost. Often these items have been imported through channels other than those authorized by the manufacturer. Purchasing these items from so-called "grey-market" distributors carries risks not normally associated with purchasing from established vendors who use legitimate sources. In light of these risks and the nature of this form of distribution, the Purchasing Department will not authorize this type of purchase and instead will seek legitimate vendors to fulfill the requisitioner's requirement. Individuals making such purchases will not be reimbursed through the Purchasing Department or through submission of a Request for Payment form or a petty cash request.
- 4.6 **Equal Employment Opportunity Requirement.** Shawnee State University requires that a supplier, in bidding or filling a purchase order, agrees not to discriminate against any employee or applicant for employment with respect to hire, tenure, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, or sex,. The supplier must also agree that every subcontract shall contain a provision requiring nondiscrimination in employment.
- 4.7 **Prevailing Wage Law.** State law mandates that Shawnee State University require all contractors to pay the prevailing wage rate for any construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decorating of any public improvement when the total overall project cost is estimated to be in excess of the thresholds specified in Ohio Revised Code, Chapter 153.]
- 4.8 **Promotional Items.** Shawnee State University regulates and controls the use of the University's name or other marks, logos, and symbols. All requests for use of the University's name or other marks, logos, and symbols must be forwarded to the Director of Purchasing and Printing Services or the designee of the vice president for business affairs for prior approval. The Purchasing Department has been delegated authority to procure all promotional and award related items on behalf of the entire

University. The items include but are not limited to "printed" items; "marketing" items such as pens, pencils, bookmarks, balloons, T-shirts, etc.; and "award" items such as plaques and trophies.

- 4.9 **Ohio Sales Tax.** Purchases for Shawnee State University are exempt from Ohio sales tax. A blanket certificate of exemption form is on file with most area businesses. Filing the form with a vendor is necessary in order to receive tax exemption. A copy of the University's tax exempt certificate is available on the Purchasing Department's web page.
- 4.10 **Off-Campus Purchases.** Generally, reimbursement to employees for purchases of goods for Shawnee State cannot include Ohio sales tax (however, tax charged on meals and lodging will be reimbursed). Employees making off-campus purchases should present a blanket certificate of exemption to the vendor. A copy of the University's tax exempt certificate is available on the Purchasing Department's web page or in the Purchasing Department.
- 4.11 **Purchased Printing.** All university printing or duplicating work will be initiated and channeled through Printing and Graphic Services. Requests and/or purchases of outside printing or duplicating presented to the Purchasing Department will be referred to Printing and Graphic Services to provide opportunity for in-house production.

5. The Bidding Process

- 5.1 **Formal Bids.** The Purchasing Department shall issue formal, sealed bids for goods and/or services estimated to be in excess of specified dollar amounts (see Section 5.3). Such bids are normally publicly opened and read. However, the director of purchasing may note in the Request for Proposal that no public bid opening will be held, if the proposals are expected to be complex and/or require committee review. Advertising for "goods and services" may appear on the Purchasing Department's web page or in other forms of media if deemed to be in the best interest of the University. The time allowed for the return of responses to a Request for Proposal is generally 10-30 days, depending on the complexity and need for advertising.
- 5.2 **Request for Quotations.** Quotations for purchases, services, and/or leases will be obtained by the Purchasing Department, based on written descriptions or specifications. In certain instances, departmental correspondence or consultation with vendors is helpful in establishing requirement specifications and approximate costs of a proposed purchase, but only the Purchasing Department, or those areas empowered by Purchasing, is authorized to obtain firm quotations by use of standard Purchasing Department quotation forms or by personal contact with vendors.
- 5.3 **Dollar Guidelines.** Formal bids and requests for quotations are solicited by the Purchasing Department in accordance with the following guidelines:
- 5.3.1 \$1,000-\$24,999 — Quotations may or may not be solicited, as determined by the Purchasing Department. **Note:** The Purchasing Department reserves the right to bid at any estimated dollar limit if deemed to be in the best interest of the University.
- 5.3.2 \$25,000 and up — Whenever quotations for goods or services exceed a total value of \$25,000, it is necessary to execute a formal, sealed bid process to obtain the best overall value in the procurement of such goods or services.

- 5.3.2.1 The requesting department **shall not** use multiple requisitions to circumvent the bidding process (pyramiding of orders).
- 5.4 **Professional Design Services.** When professional design services are employed (such as a consulting engineer, architect, or designer), all contracts over \$25,000 (refer to O.R.C. 153.71) require a specific bid process based on ability and references.
- 5.5 **Uses of Competitive Bidding.** Competitive bidding is utilized not only to establish prices but also to seek out new vendors and alternative equipment and materials. The purchase or lease of all equipment, materials, supplies, and services shall be awarded to the lowest, most responsive and responsible bidder pursuant to Section 9.312 of the Ohio Revised Code, subject to prescribed dollar amounts. However, the Purchasing Department reserves the right to obtain competitive quotations or bids, regardless of dollar value, whenever, in its judgment, obtaining such quotations or bids would serve the best interest of the University.
- 5.6 **Awarding the Contract.** The University's policy on awarding contracts is based on the concept of the lowest, most responsive and responsible bid.
- 5.6.1 Cost can be determined by several factors such as life-cycle cost, delivery, maintenance, upgrade ability, and cash discount terms, which meet the specifications of the bid document and can be supplied by a reputable supplier. Bidders are to quote items exactly as specified. Should alternates or items perceived by the bidder to be "equals" be proposed by the supplier, the items must be clearly marked as "alternates." In the event that a lower-cost item is bid other than specified, it is the responsibility of the bidder to prove that his/her alternate bid meets all the specifications set forth in the bid document pertaining to suitability and function. The final determination as to suitability shall be made by the University.
- 5.6.2 A bidder shall be considered responsive if the bidder's proposal responds to bid specifications in all material respects and contains no irregularities or deviations from the specifications which would affect the amount of the bid or otherwise give the bidder a competitive advantage.
- 5.6.3 Factors used to determine whether a bidder is responsible include the experience of the bidder, the bidder's financial condition, conduct and performance on previous contracts, facilities, management skills, and ability to execute the contract properly.
- 5.7 **Rejection of Bids.** The Purchasing Department reserves the right to reject any or all bids whenever the best interest of the University will be served by so doing.
- 5.8 **Informational Price Inquiries.** Upon request, the Purchasing Department will handle price inquiries for informational purposes. The purpose of such an inquiry is to research the market or attempt to acquire budgetary pricing. A requesting department should initiate the request with a memorandum to the director of purchasing, including all relevant information and specifications. The Purchasing Department will handle the request as a regular bid, but no purchase order will be issued until the requestor submits a requisition. Vendors will be made aware that no intention exists to place a resulting order.

6. Minority Set-Aside Purchases

- 6.1 State of Ohio law (Ohio Revised Code, Chapters 123 and 125) currently requires a goal of 15 percent of all purchases in the area of goods and services to be "set-aside" for bidding by or placed with minority businesses that have been certified by the state of Ohio Department of Administrative Services, Equal Opportunity Division. The University will seek to utilize qualified certified minority enterprise businesses for individual purchases that do not require formal bidding, whenever possible.
- 6.2 The present set-aside bidding practice only applies to goods and services. It is not applicable to construction contracts.
- 6.3 Shawnee State University is committed to conducting business with certified minority owned businesses and will strive to meet the goals set forth. The goals will include purchases as the result of competitive bidding processes, as well as purchases that do not require mandatory bidding.
- 6.4 The Purchasing Department will reference the list of state certified minority businesses when researching for certified suppliers or contractors.
- 6.5 The Purchasing Department will determine classifications of goods and services in which opportunity exists for doing business with a certified minority business. There must be at least three qualified, responsible Minority Business Enterprise (MBE) certified bidders capable of providing the identified goods or services in order to be considered for set-aside bidding. A set-aside bidding process will only include certified minority businesses that have been certified by the state of Ohio.
- 6.6 If bids or proposals resulting from set-aside bidding are not received from invited MBE firms, or submitted pricing is over budget or cannot be provided in a timely manner, a second bid process may become necessary in which the goods or services may be made available for "open-market" bidding. Open-market bidding allows for majority owned businesses to participate. If re-bidding becomes necessary, additional time may be necessary to conduct the process.

7. Waiver of Competitive Bidding

- 7.1 Competitive bidding requirements may be waived for the purchase or lease of equipment, materials, supplies, and services in the following instances:
- 7.1.1 Whenever the director of purchasing has determined that an emergency situation, which requires such action, exists.
- 7.1.2 Whenever, in the judgment of the director of purchasing, it is deemed impossible or impractical to obtain more than one bid because the product is a used item or a single (sole) source item, or for any other sufficient economic reason.
- 7.1.3 Whenever the University is able to utilize special contract pricing available from the following organizations:
- Inter-University Council Purchasing Group (IUCPG)
 - State of Ohio
 - Ohio Department of Transportation (ODOT)
 - Contracts by state of Ohio colleges and universities which have provisions for usage by other State schools

- Midwestern Higher Education Conference (MHEC)
- OhioLink
- Educational and Institutional Cooperative Service (E&I) if competitively bid
- Other consortiums or organizations in which the University participates which have competitively bid contracts for use by the membership

8. Purchasing Card

- 8.1 The Purchasing Card (PCard) is a university credit card that delegates purchasing power, up to a specific dollar limit, to individual university employees. The Purchasing Card allows the cardholder to charge work-related expenses directly to the appropriate university account.
- 8.2 Only non-student university employees may be issued a Purchasing Card.
- 8.3 Purchasing Cards are not transferable nor may they be shared.
- 8.4 The Purchasing Card may be used for university business purposes only.
- 8.5 PCard purchases must comply with Shawnee State University policies and procedures, particularly those identified in the PCard manual, issued to each cardholder and available at <http://www.shawnee.edu>.
- 8.6 A cardholder must comply with all applicable policies and procedures to retain use of the card.
- 8.7 Misuse of the Purchasing Card may result in disciplinary action up to and including termination of employment.

9. Vendors

- 9.1 **Vendor Relations.** Shawnee State University recognizes the importance of having strong, mutual relationships with the vendors with whom it does business. The University seeks to maintain and improve these relationships by treating vendors in a fair and equitable manner. Individuals authorized to place orders on behalf of their departments shall not allow relationships with these vendors or their employees to influence the award of an order.
- 9.2 **Selection of Vendors.** The selection of a vendor is the responsibility of the Purchasing Department. However, the vendor suggested by the requisitioner will be given consideration when in the best interest of the University and when the purchase does not require competitive bidding.
- 9.3 **"Buy America," "Buy Ohio."** Existing state law gives preference to products that are produced or mined in the United States and in Ohio.

10. Surplus Property (Also see University Policy 4.02)

- 10.1 The Purchasing Department is responsible for disposing of the University's surplus or excess property in a manner that serves the best interests of the University and secures the best available price.
- 10.1.1 University property is any item, whether or not operable or a complete unit, purchased by or donated to the University.

- 10.2 Chairpersons, directors, or designees of the owning department of record may declare university property as surplus. The relinquishing department is responsible for verifying ownership of all equipment and material before proceeding with disposal.
- 10.3 If a department is replacing an item with an identical or like item, trade-in must be considered.
- 10.4 Initially, surplus property, with certain exceptions (i.e., computers, printers, photocopiers) will be available for use by other university departments. In the event the surplus property is not needed within the University, the property may be made available for purchase by the general public.
- 10.5 As a general rule, university property may not be transferred or loaned to any third party, except as noted in Ohio Revised Code 125.13 (i.e., to other state agencies, to other state-supported institutions of higher education), without compensation for its fair market value.
- 10.6 Unauthorized removal, disposal, or expropriation of any property owned by the University, regardless of estimated value, constitutes a breach of university policy and can be construed as theft. (See University Policy 4.75)

(Replaces Policy 4.00 5/21/90)