

PURCHASING

<p>Approved by: Northeastern State University Executive Cabinet</p> <p>Responsible Official: Purchasing (918) 444-2170 Purchasing@nsuok.edu</p> <p>Forms: Sole Source Form Food Purchase Documentation Form</p>	<p>History: Adopted – March 2009 Revised – May 3, 2016</p> <p>Related Policies: Travel Policy Graphic Standards Policy Licensing Policy NSU PCard Guidelines</p> <p>Additional References: RUSO Policy 2.3.1 Pcard Training</p>
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POLICY

AUTHORIZED NSU PROCUREMENT SIGNATURES

Regional University System of Oklahoma ([RUSO](#)) [policy 2.3.1](#) gives contracting authority to the President or his or her designee(s) to purchase supplies, materials, services, equipment or other appropriate items. Revocation of delegations will be made in writing. Without specific written consent of the President, no other officer, employee, or student of the University may sign contractual obligations. Delegation of signatory authority is an individual decision of each President. As such, when there is a change in the President, all contracting delegation reverts back to the incoming President.

IDENTIFICATION OF PURCHASERS AND TRAINING PROGRAM

To ensure that those who commit University funds are knowledgeable and current with any rule or policy changes all departmental purchasers must adhere to the following requirements.

- a) Employees are told during new hire orientation that only those who complete training are authorized to make purchases.
- b) Deans, directors and administrators identify individuals to be trained as purchasers. Training sessions are scheduled through the Purchasing Department.

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- c) Training addresses general purchasing rules and the processes (as defined further in this document) for making either a PCard or traditional purchase.
- d) Only after completing training and passing a related exam will a purchaser be allowed access to the Banner Purchasing module or be issued a PCard.
- e) Subsequent training will be offered to update departments with changes in statutes, policies, etc. An annual renewal quiz may be required.
- f) For those individuals who use their PCard exclusively for travel purposes, a subset of the PCard administrative system will be developed that will only allow travel transactions and a different training for this set of individuals will be offered.
- g) Individuals who fail the required quiz or who disregard purchasing policies may have their designation of purchaser revoked.
- h) To help ensure compliance, the Business Affairs office will only process payments for invoices and transactions made by designated purchasers, unless authorized by the Vice President for Administration and Finance or by Northeastern State Universities (NSU) President.
- i) Departments who disregard rules may have their purchasing authority revoked. The authority would then revert to the Vice Presidential or Presidential level.

ACCOUNT SPONSOR TRAINING

Account sponsors must be able to make purchasing decisions to effectively manage their budget. To address this management need new account sponsors and administrators are required to attend purchasing trainings and complete the annual training updates. At any time an account sponsor loses official recognition as a purchaser, his/her immediate supervisor will be asked to perform budget and purchasing tasks until the account sponsor regains recognition as a purchaser.

CREATION AND APPROVAL OF REQUISITIONS

Chapter Two of the Oklahoma Procedure Manual and Section 23, Article X of the Oklahoma State Constitution stipulate that agencies entering into an agreement for the purchase of goods, wares or merchandise, contractual

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services or construction projects for which labor and material must be furnished by outside vendors, shall document that agreement through purchase orders encumbered by the agency **prior** to goods received or services rendered. Organizational account sponsors must approve all purchase requests either electronically or with a written signature prior to the purchase of products, service, or processing of the request.

When a purchase is not encumbered before the purchase is made, a purchaser must provide written explanation for the missing, or delayed, encumbrance. This explanation must be signed by the account sponsor or vice president prior to a purchase order issuance. If the explanation is not deemed valid, the purchaser and account sponsor will be asked to jointly provide written explanation, which must be signed by their vice president or the President. At this point the purchaser and their account sponsor may have their purchasing privileges (both traditional and PCard) revoked for a period of six months. Notice of revocation will be shared with the purchaser, account sponsor, their vice president and the President. If an individual purchaser has three cases of unencumbered purchases in a twelve month period, there will be a mandatory six month suspension of purchasing privileges. These privileges will be reinstated only after a successful completion of the purchasing training.

NSU's Purchasing Department will return for correction all requisitions that have errors or do not comply with NSU Purchasing Policy, RUSO Policy, OSRHE, OMES and/or Oklahoma State Statutes.

Purchasers should require all vendors to provide a quote on the same, exact list of products or specifications for services. Providing different products or specifications on quote compromises the integrity of a quote. Requests for optional items may be appropriate in certain situations but must be previously approved by the Purchasing Department.

Requisition detail must be itemized in the same format as the itemized quote provided by the vendor. This procedure assists in accounting for all items in the ordering, approval and receiving process.

W-9 Forms are required for individuals or companies not already established as vendors within the University's Banner database. The requesting department should include the W-9 with requisition submission as part of required documentation prior to processing.

Generally, purchase orders are processed within five working days upon

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receiving all supporting documentation. Incomplete requisitions or requisitions without supporting documentation will be returned to the requester for further processing within five working days.

When quoting physical services for a specific project, no matter the dollar amount, a written scope of work defined by NSU personnel must be provided to the vendor(s). The scope of work is a required attachment to the requisition with other supporting paperwork. Supporting paperwork should include the service agreement and original vendor quote(s). The scope of work should clearly indicate what/where/when along with factors regarding specific brands or features, time frames, potential problems, start/finish dates and details regarding NSU approval and project completion. The vendor quote information and the scope of work designated by NSU are combined with the language on the requisition and prevailing terms and conditions to become the NSU Purchase Order Contract.

For more information about creating Banner requisitions, NSU personnel should attend a Purchasing Training event. Contact NSU Purchasing Department or the Purchasing Website for more information.

COMPETITIVE SHOP / \$5,000-\$25,000 / BY DEPARTMENT

Purchases exceeding \$5,000 but no greater than \$24,999.99 are subject to competitive bidding. All quotes must be documented in writing (printed, email or letter) provided with the requisition. Verbal quotes are not acceptable. As with all "No Bid" responses, the Purchasing Department reserves the right to review and possibly re-quote acquisitions documented with "No Bids" to substantiate the best cost or value. The written document(s) between NSU and the vendor assure a transparent and mutual understanding of the specific service related project(s) and protect the University against incomplete work. Per Oklahoma Statute, lowest quote is awarded the PO. To request a best value solution, a formal RFP is issued through the Purchasing Department. Formal bidding requires up to three months to initiate; the requester should email the scope of work to the Purchasing Agent including certain specific information detailed below.

When completing a required competitive shop form "No Bid" quotes are acceptable but not encouraged and include stipulations when utilized. A documented "No Bid" is required. The initial quote request should be sent to a specific individual within the vendor's company and documented. A written reply from the vendor indicating the reason for the responding "No Bid" or "No Quote" is necessary for the response to be considered viable.

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"No Bid" quotes must be in writing. Email and faxed responses are acceptable.

FORMAL BID / \$25,000-\$149,999 / BY PURCHASING DEPARTMENT

Purchases expected to exceed \$25,000 require formal competitive bidding. Specifications and scope of work should be emailed to the Purchasing Agent. Purchases \$50,000 to \$149,999 do not require RUSO approval, but necessitate written notification of the purchase (Informational Board Item) on the RUSO Board Letter.

FORMAL BID / OVER \$150,000 / BY PURCHASING DEPARTMENT

Purchases greater than \$150,000 require RUSO approval prior to initialization of the bid process. Requestor should submit the specifications and/or scope of work to the Purchasing Agent. RUSO approval will be requested by the Purchasing Agent or Assistant Vice President of Administration and Finance by inclusion on the RUSO board letter at the next scheduled board meeting. This prior approval process could possibly increase processing time of the solicitation due to the scheduling of RUSO board meetings and the timing of the request.

GENERAL INFORMATION

Service-related acquisitions should always include a 'NOT TO EXCEED' (NTE) statement. Service-related acquisitions require the necessary service contract documentation for compliance with the IRS and [Independent Contractor](#) regulations.

In accordance to [State Statute Title 74 O.S., 74-85.3A.E.c](#), change orders may be issued to increase a purchase order or contract for the acquisition not exceeding ten percent (10%) of the original purchase order or contract total price. Purchasing and Accounts Payable departments are authorized to increase purchase orders for shipping and transportation cost not to exceed (10%) ten percent or (\$50) fifty dollars of existing encumbrance.

ITB (Invitation to Bid) -NSU invites contractors or equipment suppliers to submit a proposal on a specific project to be realized or product or service to be furnished. Award decision is focused on pricing, and not on ideas or concepts.

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RFP (Request for Proposal) – A request for proposal solicits bids for services or products which cannot be evaluated on cost alone. Award decision will be made by committee based on 'best value' proposal, considering specific evaluation criteria, including cost, in the award decision. For purchases in excess of \$25,000, the requestor must submit the specifications and/or detailed scope of work to the Purchasing Agent for review. The final decision to make a purchase in excess of \$25,000 from a state or consortium contract or other existing contract option or formal solicitation is at the discretion of the Purchasing Agent or Assistant Vice President of Business and Finance. Purchases in excess of \$25,000 require up to a three-month RFP process (writing, bidding, evaluation and award). Requestors should submit specifications and scope of work to the Purchasing Agent.

If an acquisition for goods or services pre-dates the requisition (encumbrance document), the Purchasing Department cannot process purchase orders without appropriate justification from the requesting department.

Splitting purchases to avoid purchasing quote/bid limits is inappropriate and considered a significant compliance issue for both PCard and requisition/purchase order transactions. Split purchasing is defined by state statute as "dividing a known quantity or failing to consolidate a known quantity of an acquisition for the purpose of evading a competitive bidding requirement". Split purchasing is illegal and a felony in accordance to Title 74 O.S. The wrongful practice also violates NSU and RUSO policy.

PCARD

Purchases up to \$5,000 may be made via Purchasing Card (PCard). There are no requirements for cost competition at this dollar level, but as an institutional practice, purchasers are encouraged to obtain the best available price.

Purchases up to \$5,000 may be made via valid NSU purchase order if the PCard cannot be utilized. Reasons for not utilizing the PCard should be communicated on the requisition by the requester as a requisition item. If the purchase involves a service related project, despite the statute and policy threshold dollar amount for written quotes, NSU departments should create a written scope of work and receive a written vendor quote, prior to creation of the requisition and purchase order. Written documents between NSU and the vendor assure a transparent and detailed agreement of the specific service(s) related project and protect the University against incomplete or contested work.

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Splitting a Pcard purchase will result in suspension of Pcard privileges. The second violation will result in revocation of privileges and possible disciplinary action.

For more information see: [NSU PCard Guidelines](#)

COMPETITIVE BIDDING POTENTIAL EXCEPTIONS

Purchases in excess of \$25,000 requiring formal competitive bidding will be processed with a purchase order issued upon completion of the formal solicitation process, contract award and mandatory RUSO approval, if applicable. The following conditions may exempt a purchase request from competitive bidding, at the discretion and approval of the Purchasing Agent, but does not exclude collecting and submitting appropriate supporting documentation and/or acquiring RUSO approval.

1. [Sole Source/Sole Brand](#) Purchase - documented affidavit must be submitted with requisition for approval. Request should include specific issue necessitating this request.
2. Purchase made from [DCS Oklahoma Statewide Contract](#) or [Federal General Services Administration \(GSA\) Contract](#).
3. Purchases made on contracts of other state agencies or state institutions of higher education.
4. Purchases made on contracts of institutional related consortiums and organizations formed to take advantage of the combined purchasing power of member institutions. Consortiums must have used a competitive bid process compliant with State of Oklahoma guidelines.
5. Purchases of institution membership dues or services from associations directly related to the function of higher education institutions.
6. Utility purchases available from only one source.
7. Contracts for professional services as defined in Section 803 of Title 18 O.S.; unlimited dollar amounts per [PIM 09-01](#).
8. Research subcontracts with other institutions of higher education or state agencies.

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9. Purchase of library books and other materials for library use.
10. Public construction contracts requiring competitive bidding in compliance with competitive bidding threshold.
11. Conferences and official designated lodging.
12. Grants identifying specific items or individuals. Grant paperwork specifics is required documentation for requisition approval.
13. Real estate leases - property management
14. Items placed by direct order with the prison industries of the Oklahoma Department of Corrections, and items statutorily exempt from bidding.
15. State Risk Management premiums
16. Aircraft and aircraft related parts
17. Livestock

COMPUTER AND NETWORK ACCESS PURCHASES & A/V MULTIMEDIA CAMPUS STANDARDS PER THE OFFICE OF INFORMATION TECHNOLOGY

All IT related purchases must be routed through the Office of Information Technology for approval prior to being submitted on a requisition to the Purchasing Department. Currently the approval process will route requisitions to Information Technology for approval automatically. If a requisition is submitted to Purchasing without IT approval, the request will be returned to the respective department. ALL technology purchases, including hardware, software, printers, etc., must be made with the approval of the Office of Information Technology.

FOOD AND BEVERAGE PURCHASES

Requires A Food Purchase Documentation Form

A Food Purchase Documentation Form is required for all requisitions, check requests, petty cash and PCard purchases when meals are requested. RUSO Policy denotes the following:

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"The University must maintain internal procedures and adequate file documentation consistent with the Board policy and establishes:

1. The public purpose of an expenditure
2. Prior approval by the President or his/her designee
3. The cost
4. Documentation of the reimbursement"

This form is required for all meals. The completed and executed form must be attached as supporting documentation for requisitions, check requests, petty cash and Purchasing Card (PCard) purchases.

Refreshments such as cookies, beverages, and light hors d'oeuvres are not considered a meal and therefore do not require the Food Purchase Documentation Form.

FURNITURE PURCHASING POLICY

All furniture purchased for delivery must be fully assembled. If assembly is not available, the department will be responsible for the assembly.

INDIVIDUAL MEMBERSHIP DUES PAYMENT POLICY

NSU does not pay individual employee's membership dues. Memberships must be Institutional Memberships. Payment is authorized by purchase order or PCard in accordance to [OSF Chapter 300](#), 319P. Memberships may be specific to a position. As long as the membership is transferrable to any person holding that position it is an allowable expenditure. Documentation on transferability is required.

Example: A membership is purchased for the Director of Housing. The current Director retires and is replaced by a new Director. The new Director is able to take over the membership and have the same benefits as the previous Director at no additional cost.

RECEIVING TANGIBLE ITEMS

To ensure the entire procurement and payment process flows smoothly, it is imperative for departments to properly document accurate and complete receipts of products (tangible merchandise). In most circumstances, purchases (PCard or purchase order) are delivered to Central Receiving and redistributed to the appropriate department by Central Receiving personnel. Signature for delivery is obtained at this time. However, situations involving desk top delivery, local purchase / pickup, mail delivery and purchases not delivered through Central Receiving result in no tangible

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product processed through Central Receiving. It is mandatory in each scenario the department:

Document the receipt of the product by signing the purchase order copy or signing the packing slip, including the date of receipt, and forwarding by email or fax, to Central Receiving.

Departments will be responsible for the receiving on the following types of purchase orders: services, lease/rentals, maintenance agreements, registration, hotel reservations, memberships and requisitions created with no receiver selected.

REGISTRATION FEES, ADVANCE PRE-PAYMENT

Registration fees for conferences, meetings, seminars and similar events are normally paid by purchase order. However, in the following specific situations, advance pre-payments (NSU checks issued before the event date or PCard payment) may be allowed:

1. The organization requires pre-registration along with payment and will not accept a purchase order. Pre-payment may be authorized if written documentation from the organization reflects non acceptance of purchase orders.
2. A discounted fee is offered if registration is paid in advance. Pre-payment may be authorized if written documentation from the organization states substitution of participants is allowed and should the event be cancelled, registration will be refunded at 100%.

These are in accordance with OMES Chapter 300, Section 319L.

It is NSU's practice that any employee failing to attend or participate in a pre-paid event or an event obligatory by purchase order shall be personally responsible for the incurred costs of pre-payment. Policy exemption requests should be made in writing to the Vice President of Administration and Finance and include copies of all related documentation, preferably prior to the event occurrence. Employees who violate this policy may be precluded from participating in or requesting pre-paid events in the future.

VEHICLE RENTAL PROCEDURES

NSU provides vehicle rentals under certain circumstances. See: NSU Travel Policy

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VENDOR ISSUES

Vendor issues should be reported to the Purchasing Agent. It is the responsibility of University personnel to adequately and fairly document problems and permit resolution and remedy on part of the vendor before considering terminating partnerships. The Purchasing Agent will work with the department and vendor to resolve issues. In extreme cases the vendor will be removed from further consideration as a campus provider.

State of Oklahoma Statutes:

'The Office of Management and Enterprise Services (OMES), formally Office of State Finance, Chapter Two of the Procedures Manual and Section 23, Article X of the Oklahoma State Constitution and statutes and with regard to Title 62 O.S., Section 41.16, Subsection A., Encumbrances.'

LOGO AND PRINTING

NSU's Graphic Standards policy governs all use of logos and licenses.