

Purchasing Policy

General Scope and Procurement Authority

It is essential that uniform purchasing policies be followed throughout the University in order to maintain standards of efficient business practice and good relationships within the University as well as with outside vendors and suppliers. Furthermore, a public educational institution has a responsibility to the taxpaying public, as well as to its students, faculty, and staff. It must conduct its business fairly, in accordance with State regulations and University policy.

Accordingly, the responsibility for procurement of supplies, equipment, and services for the operation and development of the University is assigned to the Department of Purchasing Services as affirmed in Board of Trustees Resolution 85-148.

The Purchasing Department is responsible for obtaining quotations, selecting suppliers, and placing all purchase orders for any division, department, or office of the University. The Director of Purchasing Services has delegated authority to the Law Library and Main Library to directly purchase books and periodicals only (up to the current bid limit amounts), and to departments to make purchases utilizing the Small Order Form (SOF). Failure to follow University Purchasing Policies and Procedures may result in revocation of this delegated authority. The Purchasing Department will also obtain approval of availability of funds from the Controller's Office for any purchase prior to the issuance of any purchase order. To avoid delays, please ensure that sufficient funds are available for the purchase before submitting the requisitions.

The Purchasing Department is committed to the efficient and economical acquisition of quality goods and services in support of Cleveland State University's overall mission. Toward that end, Cleveland State University is a member of the Inter-University Council Purchasing Group (IUCPG), a purchasing consortium composed of State of Ohio assisted colleges and universities, technical schools and community colleges. With the advantage of their combined purchasing power, IUCPG members jointly establish and utilize several price agreements. Contracts established by the State of Ohio, Office of Purchasing, are also available to CSU Purchasing. Further, the department is a member of a national purchasing consortium, the Educational & Institutional Cooperative Service (E&I), as well as a member of a national organization for purchasing professionals, the National Association of Educational Buyers.

Unauthorized Purchases

No individual outside of Purchasing has the authority to enter into purchase contracts, or in any way to obligate Cleveland State University for a procurement indebtedness unless specifically authorized to do so by the Director of Purchasing Services, the Vice President for Finance and Administration, or the President. Any such negotiations are considered an unauthorized purchase and the individual could

be personally liable for the purchase in accordance with Section 3.12 of the Ohio Revised Code.

Tax Exempt Status

Cleveland State University is exempt from paying Ohio sales tax under Ohio Revised Code Section 5739.02 (there is no specific exemption number), and the purchaser should inform the supplier of that fact. In the event the vendor requires a tax exemption certificate, one may be obtained from the Purchasing Department for this specific vendor. The University is exempt from the payment of Federal Excise Tax (Exemption Number 34-73-0221K). The University's Federal Tax I.D. is 34-0966056.

Equipment Purchases

All requests for the purchasing of equipment, defined as non-expendable, tangible, personal property having a useful life of more than one year and an acquisition cost of \$2,500 or more must be initiated by a purchase requisition, not a Small Order Form. The University is required to maintain an inventory of all equipment and the utilization of the purchase requisition ensures that the Property Control department is automatically notified of such acquisitions. Violation of this policy may result in the revocation of the Small Order Form privilege.

Procurement of Microcomputers

Certain brands of microcomputers have been adopted as standards by the Provost's Office for use at the University. In addition, specific installation procedures have also been implemented. Inquiries may be made with the Department of Information Services and Technology regarding these standards and procedures or with Purchasing Services regarding recommended vendors and procurement approach. The policy is also available on the University's World Wide Web page.

Personal Purchases

The University will not purchase any supplies or equipment for the personal use of University employees. The attractiveness of the University's buying power may motivate individuals to take advantage of the requisition system for personal purchases. Even though the individual involved may fully reimburse their department budget, this procedure is in violation of state law and University policy. (Refer to Section 4113.17 of the Ohio Revised Code). Those found in violation of this policy may be subject to disciplinary action.

Reciprocity

The University does not engage in or submit to the practice of reciprocity in any purchase transactions.

Gifts and Gratuities

Both State law and University policy prohibit the receipt of gifts or gratuities from vendors or others who do business with the University. State law forbids a public servant to solicit or accept "...any valuable thing or valuable benefit to corrupt or influence him with respect to the discharge of his duty."

Uniform Policies Regardless of Fund Source

All funds deposited with the University, regardless of source, are University funds and must be handled consistently in accordance with University policy. All funds shall be administered by the office of Purchasing Services in a uniform manner and in conformance with University procurement policies and procedure.

Major Purchases

The early involvement of Purchasing Services in the initial stages of a contemplated major purchase, defined as having an estimated value which exceeds the formal bid dollar threshold, cannot be over emphasized. When a major purchase is being considered, contact the Director of Purchasing Services or the purchasing agent assigned to that commodity. Indicate the basic requirements and potential vendors and sources. Purchasing Services staff will research State contract or IUC price agreement vendors and suggest them as first contacts. The purchasing agent will work with the requester to further define needs and develop an evaluation process. At this point it will be determined whether the acquisition will be made utilizing an existing contract or whether the bid process must be initiated.

Conflict of Interest and Ethics

All employees of Cleveland State University, as public servants, must observe the highest ethical standard in discharging their responsibilities. Employees must avoid any activity or interest that might reflect unfavorably on an individual's, or the University's, stewardship of public resources, and must observe those provisions of the Ohio Ethics Laws that apply to them including, but not limited to, its conflict of interest restrictions.

Any purchase transaction of the University is a "public contract." With few exceptions, section 2921.42 of the Ohio Revised Code makes it improper for any employee of the University to have an interest in the profits or benefits of a contract entered into by the University; and prohibits the use of one's position to "secure authorization of any public contract in which he, a member of his family, or any of his business associates has an interest." Our policies prohibit us from buying goods or services from a University employee unless the cost is less than that of any other known source. In addition to the legal implications, it is important that as a public institution, we avoid transactions that might appear to be a conflict, even if technically no conflict exists.

The University also subscribes to the following National Association of Educational Buyers Code of Ethics:

- To decline personal gifts or gratuities. To decline personal gifts or gratuities.
- To give first consideration to the objectives and policies of our institution,
- To cooperate with trade and industrial associations, governmental and private agencies engaged in the promotion and development of sound business methods.
- To demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the products.

- To grant all competitive bidders equal consideration; to regard each transaction on its own merits; to foster and promote fair, ethical, and legal trade practices.
- To use only by consent original ideas and designs devised by one or more vendor for competitive purchasing purposes, or to pay them for services as a consultant.
- To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

Bidding Requirements

Purchase requisitions for goods and supplies of \$25,000 or more, and purchase requisitions for services of \$50,000 or more, must be competitively bid. Purchasing Services, may, however, bid any requisition when it considers it advantageous to the University. The breaking up of a purchase into individual requisitions to avoid the bid process (pyramiding) is prohibited. All formal bids will be publicly displayed on a bulletin board located directly outside of the Purchasing Department office. Bids will be formally advertised at the discretion of the Purchasing Department and/or departments concerned. If the items required are covered by State Contracts, Government Services Administration (GSA) price schedules, Inter-University Council (IUC) Price Agreements, or other cooperative purchase agreements of which the University is a part, the competitive bidding requirement may be considered satisfied, although bids may be still be solicited at the Purchasing Department's discretion.

With few exceptions, formal bids require a minimum of at least fifteen (15) days from the date the bid is solicited until the date of the bid opening. Bids will be solicited from, if possible, at least three vendors. Responses shall be in writing and received by the specified date and time in the specified location. Late bids will not be accepted. Bids will be awarded to the lowest most "responsive and responsible" bidder and in the best interest of the University.

Prior to making any purchasing initiative or vendor contact, users are encouraged to consult with the respective purchasing agent to discuss the best method of handling specific needs. The purchasing agent is familiar with the various contracts, aware of the price practices and discount levels of various vendors. Faculty and staff are cautioned not to solicit quotations or proceed through an evaluation/decision process on their own. These solicitations will almost certainly not eliminate the requirement for the formal bid process and may result in unnecessary delays.

Printing and Printed Materials

All printed materials should comply with current University Graphics Standards. This includes business stationery (letterhead), envelopes, business cards, brochures, pamphlets, bulletins, posters, programs, self mailers and other direct mail pieces, invitations, news releases, promotional material, advertisements, etc. The Public Relations and Publications Department can assist members of the University community by reviewing layouts and designs and suggesting how the layout may need to be changed in order to reflect the desired "family appearance" inherent in the Graphic Standards, which will help to create a favorable internal and external

image for Cleveland State University. Layouts may be delivered to and picked up from the Public Relations and Publications Department or sent through campus mail: at least 24 hours should be allowed for review. Design services are available at a very low cost, but review and advice are provided at no charge.

In addition to normal procurement policy and regulation, contracts for printing are restricted by Section 3345.1 of the Ohio Revised Code to contractors having manufacturing facilities in the State of Ohio.

Please also consult the Mail Services Users Guide, available from the Mail Department, for guidelines on any printed material which may need to comply with United States Postal standards.

Minority Business Enterprise (MBE) Set-Aside

Under current State of Ohio Law (House Bill 584), 15% of the annual total aggregate purchases of goods and services are to be set aside for bidding only to Minority Business Enterprises (MBE) certified by the Equal Opportunity Coordinator of the State of Ohio. The cooperation of all departments is required and expected in support of this affirmative action effort. A list of MBE vendors is available on Purchasing Services' web page or by contacting the Purchasing Department.

Affirmative Action / Equal Opportunity Statement

CSU is an affirmative action, equal opportunity institution. No person will be denied opportunity for employment or education or be subject to discrimination in any project, program or activity because of race, color, religion, sexual orientation, national origin, age, handicap or disability, disabled veteran or Vietnam era veteran status.

Approval of Purchases

Small Order Forms, for purchases of \$1,000 or less, require the approval of the appropriate department head. Purchase orders issued for \$50,000 or less require the approval of the Director of Purchasing Services; purchase orders between \$50,001 and \$100,000 require the approval of the Controller; purchase orders between \$100,001 and \$349,999 require the approval of the Vice President for Finance and Administration; purchase orders between \$350,000 and \$499,999 require the approval of the President; and purchase orders issued for \$500,000 or more require the approval of the Board of Trustees.

Waiver of Competitive Bidding (Sole Source)

A single source purchase (Sole Source) is an order for a commodity or service that can only be purchased from one supplier, usually because of its technology or its proprietary and unique nature.

Claims that a specific product or service is a sole source is not in itself justification for a sole source purchase as the bid process will either serve to confirm the finding or uncover alternate solutions.

In the event that an item or service is considered a sole source by the requisitioning department, a written explanation must accompany the requisition stating the reasons for considering this a sole source item. Also, to be given consideration, a statement shall be included listing vendors who have been contacted in an effort to find a compatible item or service.