

Purchasing Policy

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3344-65-01 General Scope and Procurement Authority

- (A) 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.
- (B) 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.
- (C) The Purchasing Department is responsible for approving all quotations, selecting suppliers, and placing all purchase orders for any division, department, or office of the University. The Purchasing Department 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 verify availability of funds from the Controller's Office for any purchase prior to issuance. To avoid delays, please ensure that sufficient funds are available for the purchase before submitting the requisitions.
- (D) 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.

3344-65-02 Unauthorized Purchases

No CSU employee outside of purchasing has the authority to enter into purchase contracts, or in any way to obligate Cleveland State University for procurement indebtedness unless specifically authorized to do so by the Board of Trustees either by general policy or specific resolution. 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.

3344-65-03 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.

3344-65-04 Competitive Process

- (A) For goods and supplies to be purchased below the bid threshold, a minimum of three quotes will be acquired when possible. One or more quote(s) are provided by the department and the others by Purchasing, with the lowest, most responsive becoming the vendor of choice.
- (B) For purchase of services below the RFP threshold, department should supply a minimum of three quotes where possible for the identical scope of work, reviewable by Purchasing, with the lowest, most responsive becoming the vendor of choice.

3344-65-05 Equipment Purchases

- (A) All requests for the purchases 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.

- (B) Equipment improvements that increase non-expendable value to \$2,500 or more must be added to that valuation when identifiable. Increases to valuation can include costs such as shipping/delivery/installation charges. (Example: a server that has memory added.) These are considered assets that must be maintained by Property Control per above.

3344-65-06 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 web page. Purchase of computers that do not conform to University standards must have IS&T approval attached to the purchase requisition.

3344-65-07 Outsource / External Hosting Services

All contracts for these services must be approved by IS&T due to security concerns. Please refer to the link:

http://www.csuohio.edu/offices/ist/technologypolicies/Outsourcing-Hosting_Services_Security_Checklist.pdf for more information.

3344-65-08 Procurement of Furniture

All purchases of furniture must be coordinated with the Capital Planning Department to follow the University furniture standards. Standards are shown on their website: <http://www.csuohio.edu/offices/architect/furniture/>

3344-65-09 Procurement of Signage

The Capital Planning Department oversees exterior temporary and permanent signage. Please contact that office at 216-687-5390 for assistance.

3344-65-10 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.

3344-65-11 Contracts

Any and all contracts/agreements (including software licenses) must be reviewed and approved by General Counsel. Contracts executed without review may be deemed outside the employee's authority and result in personal liability for the contract.

3344-65-12 Reciprocity

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

3344-65-13 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 "...anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person's duties" Ohio Revised Code Section 102.03(E).

3344-65-14 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.

3344-65-15 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 Purchasing Department 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. (For policies concerning construction, please see Rule 3344-65-26 of the Purchasing Policy under "Procurement Policy for Facility Planning, Design and Construction Services").

3344-65-16 Conflict of Interest and Ethics

- (A) 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.
- (B) Any purchase transaction of the University is a public contract. With few exceptions, Section 2921.42 of the Ohio Revised Code prohibits for any employee of the University from having 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 the public official, a member of the public official's family, or any of the public official's business associates has an interest. Statute and CSU policies prohibit the University 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.
- (C) The University also subscribes to the following National Association of Educational Buyers Code of Ethics:
 - (1) To decline personal gifts or gratuities.

- (2) To give first consideration to the objectives and policies of our institution.
- (3) To cooperate with trade and industrial associations, governmental and private agencies engaged in the promotion and development of sound business methods.
- (4) 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.
- (5) 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.
- (6) To use only by consent original ideas and designs devised by one or more vendors for competitive purchasing purposes, or to pay them for services as a consultant.
- (7) To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

3344-65-17 Definitions for Bidding Requirements

- (A) "Bid" is defined as a prospective vendor's sealed submission to the public authority, including specifications of the product(s) (or construction project) to be delivered, and the cost for which the prospective vendor would agree to deliver it.
- (B) "Proposal" is a prospective vendor's description of the services it would provide in response to the public authority's request, including supporting information such as the prospective vendor's qualifications, previous experience, the ways in which the proposed solution would satisfy the public authority's needs, and (for services other than professional design for construction) the proposed fee structure.
- (C) "Competitive Bidding" is the process of obtaining sealed bids for contract award, either through adherence to process defined in Ohio Revised Code Chapter 153 or through the University Department of Purchasing bid process (invitation to bid).

- (D) "Competitive Selection" is the process of selecting a service provider through advertising and receipt of proposals. This is normally done as part of the Ohio Revised Code Chapter 153 process for contracting with a design firm.
- (E) "Request for Quotation" is a formal request to vendors for specific items or a small project. Format typically covers defined item(s) to be purchased, number of items and per unit cost. Similar to bid terms, but applicable to purchases below bid threshold.

3344-65-18 Bidding Requirements

- (A) For policies concerning construction and related design services, please see Rule 3344-65-26 of the Purchasing Policy under "Procurement Policy for Facility Planning, Design, & Construction Services".
- (B) Important: 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.
- (C) Purchase requisitions for goods and supplies (other than construction) of \$25,000 or more must be competitively bid. Purchase requisitions for services of \$50,000 or more must be competitively selected. Purchasing Services may use competitive processes on 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 still be solicited at the Purchasing Department's discretion.

- (D) With few exceptions, formal bids require a minimum of at least 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 responsive and responsible bidder and in the best interest of the University.

3344-65-19 Printing and Printed Materials

All printed materials should comply with the current University brand standard. 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 University Marketing Department assists members of the University community by reviewing layouts and designs and suggesting how the layout may need to be changed to reflect the desired brand standard. This creates a favorable internal and external image for Cleveland State University. Layouts can be hand delivered, emailed, or sent through campus mail to the University Marketing Department for review. Design services are available free of 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.

3344-65-20 Minority Business Enterprise (MBE) Set-Aside

Under current state of Ohio law (Ohio Revised Code Section 125.081 and accompanying administrative regulations), 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 Service's web page or by contacting the Purchasing Department. A list of MBE certified contractors and vendors is available at: <http://eodreporting.oit.ohio.gov/searchEODReporting.aspx>

3344-65-21 Encouraging Diversity, Growth and Equity (EDGE) Target Goals

Under current state of Ohio law (Ohio Revised Code Section 123.152) 5% of the annual total aggregate purchases of goods and services are to be targeted for EDGE certified vendors, certified by the Equal Opportunity Department of the state of Ohio. The cooperation of all departments is required and expected in support of this affirmative action effort. A list of EDGE certified contractors and vendors is available at: <http://das.ohio.gov/Divisions/EqualOpportunity/MBEEDGECertification.aspx>

3344-65-22 Affirmative Action / Equal Opportunity Statement

Cleveland State University 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.

3344-65-23 Approval of Purchase Orders and Change Orders

Small Order Forms, used for purchases of \$1,000 or less, require the approval of the appropriate department head. Purchase orders are evaluated and approved by project, by vendor. Purchasing Services retains authority to require competitive selection as described in Rule 3344-65-27 of the Purchasing Policy under "Bidding Requirements." Purchase orders, including modifications, require the following approvals:

- (A) \$50,000 or less = Director of Purchasing Services
- (B) \$50,001 - \$100,000 = Controller
- (C) \$100,001 - \$349,999 = Vice President for Business Affairs and Finance
- (D) \$350,000 - \$499,999 = University President
- (E) \$500,000 or more = Board of Trustees.
- (F) Signature authority is based on the total purchase order value by project, including modifications.

3344-65-24 Changes to Purchase Order

If a department needs to increase an existing purchase order, the request for change order form must be completed, approved and sent to Purchasing. The department will then receive a revised purchase order noting the change. Requested increases should not result in a purchase order exceeding the respective bid thresholds.

3344-65-25 Waiver of Competitive Bidding

- (A) Under unusual and infrequent circumstances, the Purchasing Department is authorized to purchase goods without competitive bidding. The following are justifications for granting a waiver of the competitive bid process:
 - (1) "Sole Source" - A single / sole source purchase is an order for a commodity that can only be purchased from one supplier, usually because of its technology or its proprietary and unique nature.
 - (2) "Emergency" - The goods and/ or services are required to correct or prevent an emergency health, environmental or safety hazard and/or enable the emergency repair or replacement of existing equipment essential for daily operations.
- (B) Claims that a specific product is available from a sole source are not sufficient justification for a sole source purchase as the bid process will either serve to confirm the finding or uncover alternate solutions.
- (C) In the event that an item is considered a sole source or emergency by the requisitioning department, see Purchasing web page for the "Waiver of Competitive Bidding". Fill out and include a written explanation with the requisition stating the reasons for considering this a sole source or emergency item. Also, to be given consideration for sole source, a statement shall be included listing vendors who have been contacted in an effort to find a compatible item. Please be advised that services are considered sole source purchases only under the rarest of circumstances and requests will be subject to additional scrutiny by the Office of General Counsel.

3344-65-26 Procurement Policy for Facility Planning, Design and Construction Services

All University procurement of facility planning, design and construction services shall originate with the office of the University Architect or the director of capital planning.

Definitions:

- (A) "Public Improvement" means any construction, reconstruction, improvement, enlargement, alteration, demolition, or repair of a building, highway and any other structure or work of any nature by a public authority. (*Ohio Revised Code Section 1311.25*) All projects requiring the services of a professional engineer and/or licensed architect, or requiring a building permit constitute a public improvement. Included also are painting, carpeting, signage and other changes to the building interior or exterior.
- (B) "Estimated Project Cost" In developing a project budget, one should be aware that budget costs are categorized into several cost groupings. The most basic of these will include:
 - (1) "Soft" costs, which include items directly related to construction (all fees, permits, quality assurance testing, etc.).
 - (2) "Firm" costs, which include related expenses, but not necessarily actual construction (land, independent studies, furnishings, equipment, etc.).
 - (3) "Hard" costs, which include bricks and mortar (construction contracts, construction contingency, etc.).
 - (4) Owner reserves, which include funds for the unexpected (must also include a "bid reserve contingency" of not less than 10% of the construction budget, unless approved by the University Architect).
- (C) Ohio Revised Code Chapter 153 is the section of state law dealing with contracting for both design and construction services for public improvements. The statutory code can be found under the website <http://codes.ohio.gov/orc/153>. The application of Ohio Revised Code Chapter 153 is detailed in the state architect's office manual <http://das.ohio.gov/Divisions/GeneralServices/StateArchitectsOffice/SAOManual.aspx>.

3344-65-27 Bidding Requirements

- (A) The University's bid process for public improvements will follow the state of Ohio's process as described in the Ohio Facilities Construction Commission manual.¹ The Capital Planning Department (CPD) reserves the right to use Ohio Revised Code Chapter 153 competitive bidding procedures if there is reasonable concern as to whether the aggregate cost could exceed the threshold.
- (B) Estimated project cost below \$50,000: the CPD project manager will
 - (1) obtain quotes from three contractors when possible
 - (2) prepare a purchase requisition for the contractor with the lowest cost
 - (3) forward to Purchasing along with the two unused quotes
- (C) Estimated project cost over \$50,000 but below \$200,000: the UAO project manager will
 - (1) prepare a work scope defined in an RFQ
 - (2) send with a purchase requisition and a list of selected contractors to purchasing
 - (3) Purchasing will issue the RFQ to the selected contractors and publically post the invitation to bid
 - (4) After 15 days, the sealed bids will be opened and sent to the user departments for final recommendation
- (D) Estimated project cost over \$200,000 must be competitively bid per Ohio Revised Code Chapter 153 and, as such, a Public Bid Advertisement is required.

¹ See the Ohio Facilities Construction Commission manual for details on the process:
<http://ofcc.ohio.gov/>