

**Purchasing Policy**  
**Central Ohio Technical College**  
**&**  
**The Ohio State University @ Newark**

## **HIGHLIGHTS OF THE PURCHASING POLICY**

The attached purchasing policy was developed as a result of a review of the Ohio Revised Code, the Ohio Administrative Code and conversations with other colleges and universities. It is a requirement of the Ohio Revised Code that the Board of Trustees approve a purchasing policy for the college.

The policy defines the Purchasing Agent's role on campus as the primary agent for the purchase of goods and services and to coordinate contract services.

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## **INTRODUCTION**

### **Purpose**

The policy guidelines set forth in this document are intended to insure compliance with the guidelines set forth by the State of Ohio Revised Code, the State of Ohio Administrative Code, and the Board of Trustees for all authorized Campus funded purchases.

It is not the purpose of this document to supersede or invalidate requirements or restrictions that may be in effect in individual departments, provided these are within the Campus' guidelines. Each purchaser needs to be aware of his/her department's own policy restrictions regarding purchases

### **Ethics**

All Purchasing Department employees and all other campus personnel authorized to conduct purchasing activities must adhere to the principles and standards of the Ohio Ethics Law, Chapter 102 and Section 2921.42 of the Ohio Revised Code. It is contrary to the college's policy for any employee to accept any gratuities, premiums, or other incentives. As a member of the National Association of Educational Procurement, the campus also subscribes to their code of ethics. Each employee involved in the expenditure of public funds is held at the highest degree of public trust and will abide by the following:

- Give first consideration to the objectives and policies of the institution.
- Strive to obtain the maximum value of each dollar of expenditure.
- Decline personal gifts or gratuities.
- Grant all competitive suppliers equal consideration and in so far as State and Federal statute and policy permits.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation, whether offered a verbal or written statement in advertisement or a sample of the product.
- Receive consent of the originator of proprietary ideas and design before using for competitive purchasing purposes.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier, and/or be willing to submit any major controversy to arbitration for others to review.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.
- Counsel and cooperate with NAEP Members and promote a spirit of unity and a keen interest in professional growth among them.

## Location

Information regarding purchasing policies and procedures may be obtained from:

*Purchasing Department  
Founders Hall, Room 160  
1179 University Drive  
Newark, Ohio 43055  
Phone: 740-366-9233  
Fax: 740-364-9595*

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## PURCHASE OF GOODS/SERVICES/SUPPLIES

A Purchase Order is an offer of a contract between the Campus and a supplier. Purchase Orders are issued through the Purchasing Department with an appropriate Purchase Order Number. Purchase Order terms and conditions address legal and contractual obligations of the supplier and the campus on each purchase order issued. Purchase orders also specify delivery to the Receiving Department and direct billing to Accounts Payable.

Purchase Orders are sometimes supplemented by a formally executed contract. See contract section for additional information. The President and/or CFO have signature authority for most legal contracts. Please note the campus may find it necessary to consult with legal counsel before signing contracts.

## Requisition

A requisition is used to communicate a request for the purchase of goods, bids, or services from off campus suppliers. Requisitions are:

- Initiated by a campus department designee for the purchase of goods or services.
- Submitted to the Purchasing Department via web requisition for processing (paper requisition may be used only in exceptions).
- Should include all appropriate authorization(s) at time of submission.
- **Precedes** the issuance of a Purchase Order by the Purchasing Department.

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## PURCHASE ORDERS

Purchase Order is issued by the Purchasing Agent to specific supplier(s) as an authorization for purchase and commitment of future payment.

### One time Purchase Order

A one-time Purchase Order is issued to identify a specific requirement at a firm price, generally with a single delivery. One-time orders are:

- Issued to off-campus suppliers.
- Identified by a unique Purchase Order number.
- **Issued and authorized** by the Campus Purchasing Agent

### Blanket Purchase Order

A Blanket Purchase Order is issued to identify recurring goods or services, or specific supplier/user within a Fiscal Year.

- Each Blanket Purchase Order will be issued to a single supplier and may not exceed bid limits for services except for the following items:
  - Utilities
  - Telephone Service
  - Reoccurring payments on leases or mortgages
- Other items as deemed necessary by the Purchasing Manager and approved by the Chief Fiscal Officer.
- Each Blanket Purchase Order will have a unique Purchase Order number.
- For a Blanket Purchase Order where monthly billing of goods or services varies, the invoice must be approved by appropriate department representative prior to payment.

**Changes to Requisitions and Purchase Orders**

Deleting or modifying a Requisition may be done by the initial requestor and will be sent back out for approval. If a Purchase Order number has been issued, the requisitioner should consult the Purchasing Department to determine the status of the goods or services and the potential for canceling or modifying the order.

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**OFFICE SUPPLIES PURCHASES**

With appropriate authorization departments may purchase office supplies utilizing the current designated online program. User ID and instructions for ordering may be obtained from the Purchasing Department.

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**PROCUREMENT CARD (PCARD/CAMPUS CREDIT CARD)**

With appropriate authorization, general use pcards may be checked out from the Purchasing Department for online, local store and small dollar purchases. Departments may obtain their own campus pcard. See pcard policy for further information.

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**PURCHASING AGENT ROLE**

The Purchasing Office reserves the option to purchase from other than suggested vendors, or supply alternate items for comparable services, supplies, and/or equipment if obtainable at a lower price or total cost. This may include items which are part of a pre-purchase contract. If changes are made to the requisition request for other reason(s) the requisitioner will be consulted.

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**BIDDING**

The Purchasing Department has a responsibility to solicit bid requirements from two or more suppliers when the estimated value of the requested purchase is \$20,000 or greater for goods (equipment, materials, supplies) or \$30,000 or greater for services, unless the items can be obtained under existing contracts. The College's Board of Trustees establishes these competitive bid thresholds as a part of this policy. The Purchasing Department may bid any request regardless of the dollar amount when, in their judgment, it best serves the campus.

**Request for Quotation (RFQ)**

An RFQ is used to solicit vendors for specific goods and/or services.

### **Request for Proposal (RFP)**

An RFP is used to solicit vendors and to provide a more customized response. The supplier response generally includes pricing, proposed implementation plan, and timeline for delivery of goods or services.

### **Request for Information (RFI)**

This request is issued to suppliers within a specific commodity or market to determine the viability of a concept and to obtain market information. No award is usually made from this process.

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### **WAIVER OF COMPETITIVE BIDDING**

The campus secures goods and services competitively wherever applicable. The President, Chief Fiscal Officer and Purchasing Manager may waive competitive bidding and approve waiver request(s) when justified. This authorizes the Purchasing Manager to purchase without competitive bidding, goods, or services that exceed the bid thresholds.

The following are reasons to consider granting a waiver of competitive bidding.

**Sole Source:** There is not another company who provides goods or services similar to the requested purchase; the request for goods or services is unique in design, performance, or user specification.

**Emergency:** The goods or services are needed to correct or prevent an emergency repair or replacement of existing equipment essential for daily operation.

**Economics:** Responsible economics procurement relieves the campus of potential additional expense that will result from not making a purchase; use of another supplier would require considerable training, time and money to evaluate; the goods or services are used in on-going, long-term projects; and/or the product or services offered is at a substantial discount due to current market conditions and price structures.

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### **AUTHORIZATION FOR PROCUREMENT**

#### **Signing Authority**

In general all administrative Unit Budget Managers (UBM) have the authority to complete requisitions without Senior Administrative approval within specific guidelines set by the Business and Finance department. Senior Administrators have signing authority up to \$10,000 for items within their budgetary supervision.

#### **Special Approvals Review**

The following purchases require additional approvals:

- Advertising (except classified advertising): Marketing & Public Relations Director
- Classified Advertising: Director of Human Resources
- Computer Equipment/Software: Director of ITS
- Construction: Project Manager and Chief Fiscal Officer
- Entertainment contracts for student events: Vice President for Enrollment Management and Student Life

- Entertainment contracts for community events: Marketing & Public Relations Director
- Equipment Leasing: Chief Fiscal Officer
- Insurance (Health): Director of Human Resources
- Insurance (Risk Management): Chief Fiscal Officer
- Letterhead and Business Cards: Marketing & Public Relations Director
- Off-campus Lease Space: Chief Fiscal Officer and President
- Renovations: Project Manager and Chief Fiscal Officer
- Signage and Any Graphics referencing Central Ohio Technical College in written form or logo: Marketing & Public Relations Director and Project Manager(Signage Only)
- Telephone Equipment and Services: Director of ITS
- Temporary Employment Services: Appropriate Senior Administrator, Director of Human Resources
- Video Production: Marketing & Public Relations Director
- **Alcohol ONLY with prior approval by President**

### **Board of Trustees Approval**

In general, Board of Trustees approval needed only for new budgeted items more than \$10,000 (may be done by mail). Exception can be made for emergency repairs to building or grounds. Approval must be obtained at next opportunity.

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### **SPECIAL BUYING CONSIDERATIONS**

#### **Ohio Industry for the Handicapped**

Sections 4115.31- 4115.35 of the Ohio Revised Code directs state entities to use a qualified non-profit agency for the purchase of products and/or services which are available from an agency employing persons with disabilities, notwithstanding any law requiring the purchase of products and services on a competitive basis.

#### **Ohio Penal Industries**

Section 5147.07 of the Ohio Revised Code directs state entities to utilize the Department of Rehabilitation and Corrections for the purchase of products and/or services available from State Corrections and Penal Institutions.

#### **Independent Contractor vs. Employee Relationship**

Policies that determine the difference between an employee and an independent contractor are based on case law and Internal Revenue Service (IRS) interpretation.

If workers are incorrectly classified as independent contractors, the IRS can impose fines and penalties for uncollected taxes, including income taxes and social security taxes. Consequently all non-employee arrangements should be clearly documented, and the documentation maintained in the Accounts Payable Department. The following list identifies some situations when an individual could be an independent contractor:

- Infrequent guest performance or artists not affiliated with the campus
- Guest speakers or lecturers with a particular expertise brought in on a short-term basis
- Individuals providing professional services such as attorneys, accountants, and other technical or administrative experts

Consultants are hired by contractual arrangement, additional information available in contract section, under Campus Term Contract.

Final determination of the employee vs. independent contractor status will be made on a case by case basis by Assistant Director of Business and Finance.

### **Minority and Small Business Development**

Since the late 90's, State of Ohio law dictates that the public University's set aside and purchase 15% of goods and services from minority suppliers. While Community and Technical Colleges are not required to do the same, Central Ohio Technical College (COTC) made a commitment to encourage business opportunities and diversity among its vendors. Each buyer in the Purchasing Department is made aware of the importance of utilizing minority suppliers. We continue to assess purchases on an annual basis through the Purchasing Department's software vendor reports. In addition, in the area of office supplies, we are able see our minority purchases through our vendors' reporting tool. COTC encourages (Architects) (Contractors) to make a good faith effort to reach a 5% participation goal in using EDGE-certified Business Enterprise(s) as part of the (A/E) (construction) team. Also, when bid packages for construction and renovations are sent to vendors, MBE and Edge Certification forms are included for completion with the bid responses.

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### **CONTRACTS**

A purchase contract is usually the result of a bidding process identifying and combining volume requirements. Contracts with firm pricing or discounts for specific goods, services, and terms are established to obtain the best possible value for the campus.

Contracts will be reviewed for basic components.

Contracts must be approved by the appropriate Senior Staff member, reviewed by the Chief Fiscal Officer and authorized by the President. The Chief Fiscal Officer reviews for insurance liability, budgetary considerations, and determination/coordination of legal opinion from appropriate attorney of record.

The Purchasing Department encourages use of all contracts as follows:

#### **Campus Term Contracts**

- To combine needs
- Specific to the unique needs of the campus
- Examples include consultants, media buys, etc.

Negotiation and approval of term contracts as coordinated by the Purchasing Manager.

#### **Inter-University Council Purchasing Group (IUCPG) Price Agreement**

The IUCPG is a buying consortium commissioned by the Ohio Board of Regents. Its members represent State institutions of higher education in Ohio.

- Combines needs
- Bidding responsibility of contract is delegated to specific schools
- Changes to existing price agreements require the approval of the membership
- Purchases from an IUCPG vendor will be coordinated by the campus Purchasing Agent

## **State of Ohio Contracts**

- Available for use by State of Ohio agencies
- State of Ohio contracts may be researched by the Purchasing Department

## **Educational and Institutional Cooperative (E&I) Contracts**

- A national consortium comprised of colleges and universities
- Provides for competitively bid contracts

## **Other Buying Consortia that may be utilized:**

- National Joint Purchasing Alliance (NJPA)
- US Communities
- Midwestern Higher Educational Compact (MHEC)
- The Ohio State University Contracts

## **Prime Supplier Agreements**

- A contract for a specific commodity group
- Awarded to a primary supplier for an extended period of time
- Typically used for gas, electric, and other utility purchases

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## **RENOVATIONS/CONSTRUCTION BUYING**

The campus defines construction as building maintenance, repair, renovation and new construction. This may include changes in walls, doors, electrical, plumbing, heating, venting, air conditioning systems, site work, etc.

Renovation projects are subject to the same bid limit of \$30,000.

Bids for construction projects are processed by the Project Manager and include requests for State of Ohio MBE and EDGE certification.

The Chief Financial Officer or designee is responsible for monitoring contract costs associated with renovation and construction. Changes to contracts will be coordinated through the Chief Fiscal Officer.

## **Prevailing Wages**

Chapter 4115 of the Ohio Revised Code relating to the payment of prevailing rates of wages on public improvements states that prevailing wages must be paid on reconstruction, enlargements, alteration, repair, remodeling, renovation or painting projects of \$23,447 or more, \$78,258 for new construction. The Project Manager will monitor compliance for the campus in all public improvement projects.

## **Contract Compliance**

The Project Manager, Chief Fiscal Officer, and Purchasing Manager will monitor all construction contracts to ensure compliance with State and Federal laws regarding affirmative action. These guidelines are set forth in the Ohio Revised Code sections 3345.27-3345.30.

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## RECEIVING DEPARTMENT/COURIER SERVICE

The Receiving Department serves as central receiving and distribution for inbound shipments of merchandise received on orders issued by the Purchasing Department. All packages delivered to campus will be opened and delivered to the appropriate person/department. Upon receipt of goods it is the responsibility of the person/department to verify contents of the package(s) and forward approved paperwork to the Accounting Department.

The Receiving Department is responsible for expediting replacement shipments and filing claims for damaged shipments. Contact the Receiving Department @ 69476 for further information.

In an effort to provide quality intercampus delivery, here is a list of general guidelines and information about the use of courier service.

- The courier's primary focus is the Newark campus intercampus deliveries. This includes delivery of packages/supplies/equipment to various offices across campus. Special delivery requests (paper, items from storage, etc.) will be completed in 2 to 3 working days.
- The courier travels to Coshocton and Mount Vernon every Tuesday and Pataskala every Thursday (\*see below).
- The courier travels to OSU Columbus Campus every Thursday (\*\*see below).
- This person is also the campus Receiving Clerk. Since the campus receives between 50 to 250 packages a week, a major portion of the courier's time is spent checking in and delivering these packages. Our goal is delivery within 24 hours. However, it could take 2-3 working days.
- The courier also occasionally assists with local pickup or deliveries for the campus with a one week notice.

\*The courier travels to all the above extended campuses throughout the year, carrying supplies, mail and other items. The courier leaves approximately 9:30 a.m. Faculty and staff may use this service by contacting the Courier at ext. 69476

\*\*Standard delivery and pickup are as follows:

- Mailroom Kenny Rd
- Blankenship Hall

NOTE: Packages/mail dropped at the Columbus Campus Mailroom will be delivered same or next day to the appropriate office, per the Columbus staff.

Overnight delivery and individual hand delivery to Columbus is also available from external agencies. The Services Center supplies the special envelopes and/or boxes. This expense will be charged to an individual budget.

With sufficient notice other services may be provided, please call the Receiving Department to review your options.

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## **COORDINATION WITH OTHER DEPARTMENTS**

### **Business and Finance**

Each Purchase Order must be charged to an authorized account within the colleges' general ledger. Business and Finance maintains signing authority limits.

### **Accounting**

#### **Invoice**

An invoice is a billing document that provides itemized descriptions and prices for the goods and/or services. Invoices are matched with Purchase Orders and packing slips to create an authorization for payment. The supplier should send invoices directly to Accounts Payable unless otherwise noted on the Purchase Order. Any department receiving an invoice should submit it directly to Accounts Payable with signature and authorization ("OK to Pay").

#### **Reimbursement**

Personal funds spent with a vendor on behalf of the college may be reimbursed. Refunds are issued in repayment of funds paid to the college.

Items which may be reimbursed:

- Business related meals when a campus Procurement card is not available
- Travel related expenses with pre-approval for overnight & mileage only
- Low cost emergency business supplies

Note: Sales tax is not refundable unless part of travel

#### **Prepayment/Advances**

Under policies established by the Auditor of the State of Ohio, prepayment for goods and services is not permitted except for the following items:

- Registration for conferences with pre-approval
- Travel arrangements paid directly to the vendor
- Travel credit card for use on specific expenses with pre-approval
- Magazine subscriptions
- Memberships and dues

Submission of a web requisition through Purchasing with receipts and/or backup is required for payment.

#### **Tax Exemption**

The campus is tax exempt. A blank tax exempt form may be found within the Purchasing forms.