

PURCHASING DEPARTMENT POLICIES

This appendix defines the Purchasing Department's policies. For additional information, refer to **Lincoln University Policy 12.81, Methods and Procedures for the Procurement of Goods and Services**.

A. Policy in General

1. **Unauthorized Purchases** . All obligations for the purchase of goods and services for the University shall be performed through an official purchase order number issued by the Purchasing Department. No employee may obligate the University for any purchase of goods or services without a valid purchase order number. Any employee who commits the University to a purchase, sale, lease or other arrangement without proper authorization may be personally liable for the transaction. Additionally, repeat offenders may be subject to suspension of their department's purchasing authority.
2. **Property Receipt, Non-Expendable Property Tagging, Inventory Control, and Surplus Property** . All items ordered, with the exception of library books, subscriptions, and orders placed on "call sheets" or purchases with a procurement card, shall be received by Shipping and Receiving unless otherwise noted on the Purchase Order by the Purchasing Department.

All items valued at or above **\$1000** or that are less than **\$1000** in value (including call sheet purchases) but considered "sensitive" in nature shall be identified with the Lincoln University property tag and recorded on inventory in accordance with the provisions of the Office of the State Auditor of Missouri ("Accounting for Non-expendable Property in Missouri State Agencies").

An annual physical inventory of all non-expendable property shall be conducted on an on-going basis. Department directors shall be accountable for all items listed on their inventory and shall be responsible for identifying the location of each item. The inventory items not accounted for during the physical inventory may be charged to the respective department's budget at the discretion of the Vice President for Administrative Services.

Items transferred as surplus property or to another department on campus must be properly tracked with appropriate transfer forms. Items considered surplus property shall be delivered to the Shipping and Receiving area for either reallocation to a different department on campus, sale (either sealed bid or auction), or disposition through state surplus property. Departments may not dispose of non-expendable property without prior authorization from the Shipping and Receiving Supervisor. Employees of the University, with the exception of Purchasing Department employees, may purchase surplus items by submitting a bid when such items are offered to the general public through the sealed bid or

auction process.

3. **Service/Maintenance Agreements .** Service and maintenance agreements on such items as facsimile machines, copiers, and printers purchased may be available under state contract and shall be explored prior to entering into a separate agreement for such service. If the statewide contract is not used, the department and contractor may establish a contract for service maintenance not to exceed a twelve (12) month period.
4. **Leases/Lease with Purchase/Rentals .** Leases, lease with purchase and rentals requests, with the exception of property leases and rentals, must be submitted to the Director of Purchasing for approval prior to entering into any agreement.
5. **Procurement Card .** The Purchasing Department shall administer, distribute and monitor procurement cards for the purpose of making small purchases not exceeding a total of **\$1000**. The procurement card may be used in lieu of petty cash or “call sheets”. Departments using the procurement card should contact a minimum of three (3) vendors to obtain price quotes for items purchased with the procurement card. The procurement card may not be used for purchases for personal use; 1099 reportable personal services; personal travel expenses; liquor; office supplies from vendors other than the statewide LU contractor or items available through LU supply; and any item currently available on a Lincoln University contract.
6. **Temporary Services .** Requests to obtain temporary clerical and laborer services from outside sources shall be acquired through statewide contracts to obtain these services or through an LU contract, if in effect. The lowest priced vendor shall be contacted first to determine if a qualified individual is available for the required time frames needed. If the lowest priced vendor cannot fulfil the request, the next lowest priced vendor may be contacted and so on. Once a vendor has been located that can provide the service, a purchase requisition is required. Under no circumstances may an individual begin working without a properly executed purchase order in place.
7. **Petty Cash .** Funds up to \$250 may be requested for the purchase of small, emergency expenditures from local vendors in accordance with the University’s

established Petty Cash Procedures. In no instance may a single item purchased with petty cash funds be valued above \$50.

8. **Purchase of University Services** . Departmental staff may purchase goods and services from other Lincoln University Departments such as the Lincoln University Print Shop. Departments must submit a manual requisition to secure these types of goods and services.

B. Method of Purchase Submission and Required Approvals

1. **Requisition** . All purchases shall require the submission of a purchase requisition form and the issuance of an official purchase order by the Purchasing Department. A requisition for the purchase of supplies, equipment or services shall be signed by a person who has been properly authorized by the University administration in accordance with established University policy.
2. **Purchase Order** . All purchases shall be made only by the Purchasing Department with the issuance of an official purchase order form signed by the Director of Purchasing or by the Budget Office through a request for a check to be issued.
3. **Splitting Requisitions** . Purchases for like items shall not be split between two or more requisitions to circumvent the bidding process.
4. **Bid Solicitation** . The Director of Purchasing reserves the right to require the bidding of any and all purchases for equipment, supplies and services when determined to be in the best interests of the University.
5. **Purchasing Director has Authority to Question Quality, Quantity, Source and Price** . The Purchasing Director shall have full authority to question the quality, quantity, kind and source of supplies, equipment and services, as well as the price paid for items being requisitioned and ordered.
6. **Purchases for Personal or Private Use** . All purchases using University funds shall be secured for University use only. No purchases may be made from such funds for personal or private use.

C. Method of Solicitation

1. **Solicitation of Bids Valued at \$24,999 or Under** . Purchases for equipment and supplies under **\$24,999** may be made on a discretionary basis without solicitation of bids upon authorization of the Purchasing Director or designated members of

the purchasing department staff when it is determined that no savings or advantage would accrue to the University by bidding.

2. **Solicitation of Bids Valued at \$25,000 or Greater .** Purchases of equipment and supplies that exceed **\$25,000** and are less than **\$100,000** require solicitation of informal bids from at least three (3) prospective suppliers.
3. **Purchases of \$100,000 or Greater .** Purchases of \$100,000 or more shall be formally bid.
4. **Required Approval of Contracts, Supplies, or Equipment Valued at \$150,000 or Greater .** Term and service contracts valued at **\$150,000** or above shall require prior approval of the Board of Curators and the signature of the President before the contract or spend may be awarded.
5. **Single Feasible Source.** Unique supplies, equipment or services documented as a single feasible source may be purchased without solicitation of bids and awarded and executed by the Purchasing Director within the above limits.
6. **Lincoln University Contract Requirements for Professional Services .**
Contracts for consulting agreements or professional services may be negotiated by the individual department requiring the service. “Professional Service” shall be defined as those services provided by an individual(s) who performs professional, personal, consulting and social services. All requisitions submitted for such services must be accompanied by an official Lincoln University Contract and Letter of Certification and must be signed by the President. A valid purchase order must be in effect prior to services being performed.
7. **Emergency Purchase Requests .** Emergency Purchases may be made only by the Purchasing Department and approved departments who are most likely to encounter emergency situations and who have secured prior authorization from the Director of Purchasing. An emergency condition is defined as a situation in which “there exists a threat to life, property, public health or public safety or when immediate expenditure is necessary for repairs to University property in order to protect against further loss of, or damage to, state property, to prevent or minimize serious disruption in University services or to ensure the integrity of University records.”
8. **Cooperative Agreements with Not-for-Profit Organizations .** The Purchasing Department may enter into agreements with other governmental not-for-profit organizations, with the intent of gaining economy of scale in purchasing agreements and purchasing cooperatives.

9. **Use of Statewide Contracts and Cooperative Contracts.** The Purchasing Department shall require the purchase of items from statewide contracts when, considering price and other essential factors, it is determined to be in the best interest of the University.
10. **Encumbrance of Funds for Repetitive Purchases.** Departments may encumber funds to cover the purchase of items from a single supplier up to the amount of the no bid limit without having a contract in place. The Purchasing Department shall monitor all such encumbrances for appropriateness of purchase and shall reserve the right to require a contract to be bid and awarded. The Purchasing Department shall bid and award “as needed” blanket contracts for use by one, some or all departments for items and services that are determined, by the Purchasing Department, to be of common usage or which exceed the no bid limit.

D. Informal Bid Process

1. **Requisitions Valued at Less than \$100,000, but greater than \$24,999.** Informal Bids may be secured for requisitions valued at less than \$100,000 by issuing a written Request for quotations (RFQ’s), requesting facsimile quotations, telephone bids, or performing catalog or like comparisons.
2. **Requisitions Valued at Less than \$25,000 .** Bids are not required unless otherwise determined by the Purchasing Director as being in the best interest of the University.

DI. Formal Bid Process - Purchases in Excess of \$100,000

1. **Bid Time Frames.** The bidding time for formal bids shall be a minimum of fifteen (15) business days. A time period of a minimum of twenty (20) business days shall be used when a bid is complicated and requires more time for vendors to prepare a response.
2. **Competitive Formal Bids.** Formal bids shall be secured for purchase requisitions with a value of \$100,000 or more for the purchase of equipment, supplies and services by the use of either the competitive seal bid or the competitive proposal method. Formal bids shall have a stated bid opening date and time. Bids received after the stated bid opening date and time (late bids) shall not be opened.
3. **Advertisement .** Purchases requiring formal bidding shall be advertised in at least two (2) newspapers of general circulation in such places as are most likely to reach bidders at least (5) days before bids for such purchases are to be opened.

The newspaper advertisement shall indicate the items to be purchased, where specifications may be obtained, and the time and place where bids will be received. All bid requests for items requiring formal bidding shall be posted in the Purchasing Department for examination by prospective bidders.

F. Contract Provisions

1. **Standard Terms and Conditions.** Standard Terms and Conditions, as is applicable to specifications, bid requests, purchase orders and contracts, shall be approved by the director of Purchasing and the Office of the General Counsel.
2. **“Or Approved Equal”.** This clause may be used when a product is designated in a bid document by the name of the manufacturers or vendor or by any proprietary or trade name. The standard products of other manufacturers may be accepted provided that the bidder has supplied sufficient information with his/her bid to enable the University to determine that the product bid is equal (in design, strength, durability, usefulness, efficiency, quality and convenience for the purposes intended) to the product designated in the bid document.
3. **Contract Amendments/Change Orders.** Any and all changes to a purchase order or contract as established by the Purchasing Department must be submitted to the Purchasing Department for an official change order or contract amendment to be issued. Departments may not conduct negotiations with contractors to change prices, quantities, specifications, etc. unless approved by the Director of Purchasing.
4. **Waiver of Informalities/Rejection of Bids.** The University reserves the right to waive informalities in bids and proposals and to reject any and all bids and proposals received with or without cause.
5. **Bid Cancellations .** An IFB, RFP or RFQ may be canceled prior to award when it is determined to be in the best interests of the University. The reasons for cancellation shall be made part of the bid file.

G. Evaluation Process

1. **Evaluation Criteria.** Bids will be evaluated based on the lowest and best price. Informal bids and formal bids based on cost only, may be evaluated by the Purchasing Director or designee. Formal bids using subjective evaluation criteria shall require evaluation by an evaluation committee.
2. **Preference for Missouri Products and Missouri Firms .** A preference will be

given to materials, products, supplies, provisions and all other articles produced, manufactured, made or grown with the State of Missouri or items supplied by a Missouri firm provided they can be secured without additional cost over foreign products or the products of other states. A Missouri firm shall be defined as a firm incorporated in the State of Missouri or a firm that maintains a regular place of business within the state.

3. **Preference for United State Products.** A preference will be given for the purchase of products manufactured, assembled or produced in the United States when they may be secured without additional cost over foreign products and the quality is suitable for the purpose intended. The University may request and obtain vendor certification on American made products when appropriate.
4. **Non-Discrimination in the Bid Evaluation Process.** Lincoln University shall award all contracts and purchase orders on a fair and equitable basis. The University shall not discriminate against any business enterprise, including any owned or operated by women, minority group members, or socially or economically disadvantaged individuals. An effort shall be made by the University to assist all vendors in learning how to do business with the University.
5. **Selection of Evaluation Committee.** For purchases over **\$100,000** (equipment or services) an evaluation committee is selected.
6. **Evaluation Committee Meetings.** The evaluation committee will meet and discuss the facts and relative merits of each proposal. The Director of Purchasing, or designee, shall act in the capacity of committee chair to oversee the evaluation process and shall not be a voting member.
7. **Bid Award.** Award shall be made to the responsive and responsible bidder whose bid or proposal is most economical for the purpose intended according to the criteria set forth in the solicitation and in accordance with “guidelines for evaluation of bids” developed by the Purchasing Department.