

Colgate University Purchasing Policies and Procedures

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Mission and Vision

Mission

The mission of the Colgate University's Purchasing Department is to be a key strategic partner for the Colgate community in the acquisition of world-class goods and services at the best value through procurement expertise, end-user education, and outstanding customer service.

Vision

The vision of the Colgate University's Purchasing Department is to be recognized for our innovative approach to sourcing, development of strategic alliances, and a progressive model of best practices all in support of the mission and [strategic plan](#) of Colgate University.

<https://colgatestrategicplan.atavist.com/updates>

General Policies

1.1 Code of Ethics

Colgate University's Purchasing Department defines and aligns its [Code of Ethics](#) with the National Association of Educational Procurement (NAEP), an organization composed of college and university purchasing professionals.

1. Give first consideration to the objectives and policies of the institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline all personal gifts or gratuities, other than those that do not exceed a nominal amount.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and Colgate University policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP Members and promote a spirit of unity and a keen interest in professional growth.

1.2 Gifts and Gratuities from Vendors

Policy

The solicitation or acceptance of personal gifts, gratuities, favors, or kickbacks by a Colgate University employee is prohibited, except when it might be inappropriate or insulting to refuse the gift offered, and the value of the gift is nominal.

This policy is not intended to eliminate ethical activities such as business luncheons or the exchange of token mementos of nominal value. It also is not intended to eliminate the participation in Professional organization events where a vendor may be providing some sponsorship. However, such activities should be kept to the minimum level necessary for maintaining effective business relationships.

Definitions

Gift / Gratuity / Favor - The use of property or facilities, gift certificates, entertainment, or other items of value extended to University employees or their families, subcontractors or consultants.

Kickback - Any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided by a supplier, directly or indirectly, to any employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a procurement.

Procedure

Every effort should be made to politely refuse all offers of gifts from vendors. When it might be inappropriate or insulting to refuse a gift offered, the gift is to be accepted in the name of Colgate University and, if over \$100, must be reported to the Vice President for Finance and Administration. The Vice President will determine a suitable distribution for the gift.

Violations of this policy should be reported to the Human Resources office, which will work with Finance and Purchasing to investigate. Consistent with University's policy, disciplinary action will depend upon the extent of or potential for damage to Colgate University and can range from reprimand to termination of employment.

1.3 Conflict of Interest

Policy

All personnel involved in the purchasing process that may include vendors that employ members of their families, or when they or members of their families have a financial or other interest, must report this information to the Director of Purchasing prior to placing an order. Involvement in the purchasing process may include, but not limited to, recommend sources, submit requisitions, evaluate proposals, place purchase orders, or otherwise have influence on the selection and ordering process.

Procedure

All personnel involved in the purchasing process of a commodity or service with vendors that have relationships as defined in the policy must make the Director of Purchasing aware of this before any purchase can be initiated. Should the Director of Purchasing be the one with the conflict then that person will make the Associate Vice President and Controller aware of the conflict. Either the Director of Purchasing or the Associate Vice President and Controller will take steps necessary to insure that for that purchase activity the employee will not be involved in the purchasing process to eliminate the possibility of a conflict of interest.

1.4 Supplier Diversity

Policy

All personnel involved in the acquisition process and/or decision-making should attempt to diversify sourcing opportunities to include MBE, WBE, SB, and VOSB businesses regardless of the funding source where such vendors are known. These vendors will be given the opportunity and afforded the information required to bid on requirements. The University will not favor any small or minority business solely based on their status. They will be evaluated using the same criteria, and adhere to the same parameters as all other vendors. All procurements will be awarded based on "best value" for the University.

Definitions

- An MBE is a business enterprise in which at least fifty-one percent (51%) is owned, operated and controlled by citizens or permanent resident aliens who are meeting the ethnic definitions as defined by their home state. A company must be registered as an MBE with their home state to qualify as an MBE for the University.
- A WBE is a business enterprise in which at least fifty-one percent (51%) is owned, operated and controlled by citizens or permanent resident aliens who are women. A company must be registered as a WBE with their home state to qualify as a WBE for the University.
- A Small Business (SB) is one that is certified by the U.S. Small Business Administration (SBA).
- A Veteran Owned Small Business (VOSB) is a small business concern that is not less than 51 percent owned by one or more veterans. In the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; the management and daily business operations of which are controlled by one or more veterans and qualifies as "small" for Federal business size standard purposes. All service-disabled veteran-owned small business concerns (SDVOSBs) are also, by definition, veteran-owned small business concerns. When used in these guidelines, the term "VOSB" includes SDVOSBs.

1.5 Local Business

Policy

All personnel involved in the acquisition process and/or decision-making should make an attempt to diversify sourcing opportunities to local business regardless of the funding source where such vendors are known. These vendors will be given the opportunity and afforded the information required to bid on requirements. The University will not favor any local business solely based on their status. They will be evaluated using the same criteria, and adhere to the same parameters as all other vendors. All procurements will be awarded based on "best value" for the University.

Definition

A Local Business is defined as an enterprise with its primary headquarters located within one of the following Zip Codes:

13346	Hamilton, NY	13465	Solsville, NY
13332	Earlville, NY	13355	Hubbardsville, NY
13334	Eaton, NY	13418	North Brookfield, NY
13402	Madison, NY	13408	Morrisville, NY
13310	Bouckville, NY	13460	Sherburne, NY
13484	West Eaton, NY		

Procedure

Requisitioners should include at least one sourcing opportunity to a local or diverse classified business in their bidding processes, when known.

Requisitions processed by the Purchasing Department will be reviewed for compliance. If necessary, additional sourcing opportunities may be extended to ensure compliance.

1.6 Environmentally Preferable Purchasing (EPP)

Policy

The Purchasing Department in collaboration with the University's Office of Sustainability (<http://www.colgate.edu/about/sustainability>) will develop and maintain recognized standards for various products and services used by the campus. Colgate's sustainable procurement standards are designed to facilitate the University's efforts to monitor and reduce its environmental impact. Every effort should be made to procure goods and services with these standards in mind.

Procedure

In order to support Colgate University's commitment to environmental sustainability and carbon neutrality, the university is committed to purchasing goods and services from manufacturers and suppliers who demonstrate leadership in environmental stewardship. It is the preference of Colgate University that our suppliers use environmentally sensitive products, materials, and sources whenever practicable. If two products are competitive in performance, characteristics, and pricing, the university will favor the more environmentally sensitive product or company.

The university and the supplier may negotiate during the contract term to permit the substitution or addition of environmentally sensitive products when such products are readily available at a competitive cost and satisfy the university's performance needs. If a supplier is citing environmentally preferable product claims, the supplier must be able to provide proper certification or detailed information on environmental benefits, durability and recyclable properties.

Requisitioners should use a basic screen for environmentally sensitive products that will look for those that are reusable instead of disposable, recyclable, made with renewable energy, and contain a significant percentage of post-consumer waste recycled content. Third-party certifications that indicate an environmentally preferable product may also be used for the screening process. In cooperation with the university's Office of Sustainability, the Purchasing Department will maintain a list of approved certifications.

Vendor Policies

2.1 Vendor Approval and Status

Policy

All vendors are required to complete a [vendor profile form](#) that will be kept on file. This application will also require a current W9 form to be included. Vendors may be asked to update their information by resubmitting this form from time to time. In some cases, a certificate of insurance will also be required before work may commence. Applications will be reviewed by the Purchasing Department who will have sole responsibility to make the decision if a vendor will be added to the list.

As a recipient of federal and state grants, Colgate University seeks to do business with certified MBEs / WBEs. We encourage vendors to review the qualification requirements and to apply for state certification at <https://esd.ny.gov/mwbe-new-certification>.

The Purchasing Department will vet vendor applicants in various ways including but not limited to confirmation that a potential vendor does not appear in the U.S. Government Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs.

The University makes no commitment that any or all vendors listed will receive bids or inquiries.

Procedure

The Purchasing Department must be notified of the need to review a new company prior to any work commencing. The department will send the company the vendor profile form and other documents that may be required. Once the company returns a completed form with all required information, the Purchasing Department will check them against available databases and other reviews deemed necessary before approving or denying the application. The department making the request for the company will then be notified of the result of the application.

2.2 Vendor Qualification

Policy

Colgate University will only conduct business with reputable and financially stable vendors who are capable of providing the goods and services required. Vendors are to complete the [vendor profile form](#) and must provide a Federal identification number or Social Security number.

The University will select vendors who offer the best value for the products and services purchased. The University will look to contract with reliable vendors/contractors who are capable of providing goods and services in a consistent, timely, and cost-effective manner. In judging vendor/contractor reliability, the following factors should be taken into account:

- adequate financial resources
- quality of product or service
- terms and conditions
- timeliness of performance
- cost control
- business practices
- customer satisfaction (end user)
- Past performance with the University and other higher educational or public sector institutions

The Purchasing Department may, at its discretion, obtain third party financial reports to determine the financial stability of vendors. The Purchasing Department may also request references from a vendor and/or financial statements for pre-qualification purposes. The expertise of the campus community will be utilized to ensure that vendors can achieve technical requirements.

Procedure

Vendors are expected to:

- Offer fair, aggressive and competitive pricing and excellent customer and technical services to the University at all times.
- Avoid any conflict of interest. Do not offer any gratuities to any University employee in exchange for solicitation and/or awarding of business with the University.
- Integrity and reputation; compliance with all legal, ethical, fair and sound business practices. Vendors are to conduct themselves while on campus in a professional and competent manner at all times.
- Meet University insurance / indemnification and Workmen's Compensation requirements.
- The vendor must also be reliable and proficient in the communication of order details, status and problem resolution with the Purchasing Department and other departments directly involved with the specific vendor/contractor transactions.

End users are advised to report any vendor-related issue or potential vendor-related issues to the Purchasing Department for immediate review and investigation. Any employee that is contacted by a vendor or feels that a vendor is attempting to engage in any pressure tactics or other unethical / unprofessional practices to obtain immediate business or convince the employee they must buy any goods or services (e.g., printer/copier toners and copier service, etc.), should notify the Purchasing Department. Under no circumstances should any solicitation for goods and services from a vendor be transacted under any direct or indirect pressure from the vendor.

2.3 Vendor Suspension

Policy

Colgate University may at its discretion suspend or remove a vendor from the Approved Vendor's List if any of the following causes occur on one or more purchase orders or contracts:

- Unsatisfactory performance (e.g., poor performance, delivery or default on one or more purchase orders or contracts, including any provision of contract terms for construction, service or commodities, including but not limited to over shipments, under shipments, providing damaged or defective goods, making unauthorized substitutions, billing errors, service deficiencies, or poor workmanship) unless the unsatisfactory performance is caused by acts beyond the control of the business, such as acts of God, acts of war, fires, or strikes.
- Failure to respond to solicitations or inquiries.
- Conviction of the business or an officer or principal shareholder of the business for commission of a criminal offense in connection with obtaining, attempting to obtain or performing a contract or subcontract.
- Violation of anti-trust statutes relating to the submission of bids. Bankruptcy or pending bankruptcy of the vendor.
- Unethical practices or violation of the University's policies.

- Inclusion in the U.S. Government Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs.

The University is not limited to these reasons for suspension. The decision is at the sole discretion of the Director of Purchasing.

Procedure

The Director of Purchasing has the sole authority to suspend a business for cause from participating in University business. Written notification from the Director of Purchasing must be sent to the suspended vendor stating the basis for the suspension, the vendor's rights to protest the action, and the condition/procedures required to be reinstated. The suspension shall be for a period of no less than six months but not to exceed three years.

In order for a vendor to modify or shorten the suspension period, supporting documentation must be submitted to the Purchasing Department, including but not limited to:

- genuine change in ownership and management of the business
- elimination or mitigation of the cause for which the suspension was imposed

Upon termination or expiration of the suspension period, vendors will be eligible to reapply. Approval of the application is required to be eligible to participate in business with the University. No written notice will be sent to the vendor unless the period has been shortened. If a vendor is suspended a second time for the same cause, permanent suspension may result.

Purchasing

3.1 Dollar Thresholds and Purchasing Methods Policy

General Commodities and Services

<u>Dollar Threshold*</u>	<u>Description</u>	<u>P-Card</u>	<u>Reimbursement</u>	<u>Quotation</u>	<u>Purchase Order / Contract**</u>
<i>\$0 - \$499</i>	<i>Small Dollar Purchase</i>	<i>Yes (3.9 P-Card Policy applied)</i>	<i>Submit invoice or request for reimbursement to Accounting / Control</i>	<i>No quote required.</i>	<i>Not required.</i>
<i>\$500 - \$999</i>	<i>Order placed directly with preferred supplier through online system / contracting arrangement and direct internal budget charges.</i>	<i>Yes (3.9 P-Card Policy applied)</i>	<i>Submit Invoice or request for reimbursement to Accounting / Control</i>	<i>No quote required.</i>	<i>An online requisition / Purchase Order may be used if P-Card not accepted. No quote required.</i>

\$1,000 - \$4,999	Submit online requisition with quotation.	No (3.9 P-Card Policy applied)	No. (In select cases, only subscriptions, dues, or published commercial fees may be submitted for reimbursement.)	Yes. Purchasing may request a quotation, solicit competition, or take advantage of NY state / consortium purchase agreements.	Yes. A (1) quote is required.
\$5,000 - \$9,999	Submit online requisition with quotation	No	No	Yes. Purchasing may request a quotation, solicit competition, or take advantage of NY state / consortium purchase agreements.	Yes. A (1) quotation is required. Two (2) or more quotations are encouraged.
\$10,000 - \$249,999	Submit online requisition with quotation	No	No	Yes. Two (2) or more quotations required.	Yes
\$250,000 and over	Purchase Order / Contract	No	No	Yes. Three (3) or more quotations required.	Yes
Federal Uniform Guidance					
<u>Dollar Threshold*</u>	<u>Description</u>	<u>P-Card</u>	<u>Reimbursement</u>	<u>Quotation</u>	<u>Purchase Order / Contract**</u>
Less than \$10,000	Micro-Purchase	No	No	Yes. At least one (1) quote required.	Yes
\$10,001 - \$249,999	Purchase Order	No.	No.	Yes. At least two (2) quotes required.	Yes
Over \$250,000	Purchase Order / Contract	No	No	Yes. At least three (3) quotes, public bidding / competition required.	Yes

****Please consider the estimated annual spend rather than one discrete purchase request.***

*****A Purchase Order is usually issued unilaterally. A Contract is bilateral (signed by two parties).***

Procedure

Purchases below \$10,000 may be made using a single quote. A University credit card may also be used as long as the Policy for P-Card use is followed and an allowance is permitted by Associate VP / Controller or Director of Purchasing. It is recommended that two or more quotes be obtained for purchases that are more than \$5,000 and less than \$10,000. Purchases within this threshold can be obtained using a University P-Card or having a University PO issued. The determination is made on a case-by case basis but generally, readily determinable commercial prices for conference registrations, subscriptions, or published commercial service fees may be allowable. The determination is also based

on whether a quotation, which adequately describes the price / cost for the good / service, is required and whether a Purchase (unilateral or bilateral) is required.

Purchases that are \$10,000 and higher require two or more quotes, or Request for a Bid Waiver. If the purchasing department is a part of or can confirm that a formal RFB or RFP was conducted and only one supplier responded, then the single quote can suffice. If a preferred supplier is being used then a single quote can suffice, if the cost / price is determined to be price reasonable. Purchasing can determine that more competition is warranted and require additional quotes be obtained or a formal bid or RFP be conducted.

3.2 Request for Information (RFI)

Definition

A Request for Information (RFI) is the process of simply asking potential suppliers to detail their corporate capabilities or their public pricing for certain products or services. **Note** – the response to an RFI should not be accepted as the final cost / price basis for a requisition.

Procedure

The Purchasing Department may assist in the creation of RFI, with a detailed description of the requirement and several sources of supply.

3.3 Request for Quotes (RFQ)

Definition

A Request for Quote (RFQ) is the process of simply asking supplier for a quotation for a product or service.

Procedure

A Requisitioner can contact a supplier or suppliers and request that they provide a quote on a particular item or service. The individual making this request should be mindful of the requirements for Supplier Diversity, Local Purchases, and EPP when determining whom to have quote. It is also imperative that quotes be obtained from companies that the department or individual is willing to use. Getting quotes to only meet a threshold is unacceptable. Companies do not have to be approved suppliers to quote, but they must be approved and on the approved supplier list before any order can be given. See Sec. 2.1. The Purchasing Department may assist in solicitation of quotes, with a detailed description of the requirement and several sources of supply.

3.4 Request for Bids (RFB)

Definition

A Request for Bid (RFB) is the formal process of sending specific specification and instructions to potential bidders for products or services.

Policy

Any RFB is to be facilitated and managed by the Purchasing Department to insure that all formal processes and procedures are followed.

Procedure

The Requisitioner in need of the products or services shall reach out to the Purchasing Department with the specifications and a list of suppliers they would suggest. Purchasing will prepare the invitation to bid and send it to the suppliers listed and possibly add others. Once the bids are back, Purchasing and the campus department will jointly evaluate the bids.

3.5 Request of Proposals (RFP)

Definition

A Request for Proposal (RFP) is the formal process for large purchases where the exact product or service may vary. This is the common process used for services like construction and campus wide initiatives.

Policy

Any RFP is to be facilitated and managed by the Purchasing Department to insure that all formal processes and procedures are followed.

Procedure

The Requisitioner in need of the products or services shall reach out to the Purchasing Department. There will be a joint effort between the campus department and Purchasing to prepare the request for proposal. Once the document is ready, the Purchasing Department will send it to the suppliers and manage the RFP process. Once the proposals are back, Purchasing and the campus department will jointly evaluate the responses.

3.6 Requisitions

Policy

Unless alternative purchasing mechanisms are to be used e.g. P-Card, travel expense, or emergency situations, the purchase of all supplies, equipment and services not available from within the University should be processed on a requisition submitted to the Purchasing Department prior to ordering or work commencing. Check List: 1) Legally sufficient description of requirement, 2) Check Internal Sources, and then 3) Create requisition with supporting documentation for timely review and processing.

Procedure

The requesting department must complete the electronic requisition, located in the University Portal, in its entirety to assure clarity of information. Requisitions of \$10,000 or greater will be reviewed by the Vice President of Finance and Administration. A brief justification should be included in the comments section of these requisitions.

Supporting documentation, including quotes, agreements, Bid Waiver (if necessary), and justifications must be forwarded separately to the Purchasing Department.

3.7 Request for Waiver of Competitive Bidding

Policy

The Director of Purchasing, or their designee, may waive competitive bidding when justified. Criteria will be limited to Sole Source, Emergency, or Economic / Single Source.

Definitions

Sole Source - A sole source purchase of an item or service that is a one of a kind, has no equivalent, and is only available from one source. If a manufacturer has dealers or distributors anywhere, it is not a true sole source.

Emergency – Emergency purchases are defined as situations that endanger lives, property or the continuation of a vital program and which can be rectified only by immediate action.

Economic / Single Source - An acquisition where, after a search, only one supplier is determined by the requesting department and Purchasing to be reasonably available for the required product or service. A single source may also provide an economic advantage to the university where use of another supplier would result in incompatibility with existing conditions; require considerable training, time and money to evaluate; the goods or services are being used in

ongoing long-term projects; and/or the product/service offered is at a substantial discount below current market conditions and price structures.

Procedure

Along with the quotation and other supporting documentation normally submitted with a requisition, there must also be a completed Bid Waiver form along with a concise memo that explains and justifies the reason that waiving competition for the item or service should be considered. All Bid Waivers must be signed by the requester and the budget manager or department head.

Bid Waivers for Sole Source

- Must be certified by someone with knowledge and expertise in the field in which the product will be used.
- The supporting document must include a statement that, in the professional opinion of the certifying individual, it is the only product or service provider that can be used to accomplish the task necessary in an appropriate manner.
- Sole Source exceptions are not appropriate or justified when an informal process is used to determine that one provider has products or services that for various reasons constitute best value. This conclusion should come as a result of competitive quotes; a formal RFB or RFP process.
- Sole source exceptions should be based on the critical needs or requirements and only one solution can provide a successful result.

Bid Waivers for Chases

- Emergency purchases are allowed in cases that have or could impose significant loss to the University or where University safety and security, or human life or property may be endangered. When an emergency condition arises, and the need cannot be met through normal procurement methods, the emergency purchase shall be made by whatever means necessary to mitigate the damage or risk. The Purchasing Department should be notified as soon as possible of the circumstances.
- The person responsible for the emergency purchase shall provide written documentation stating the basis of the emergency purchase and for the selection of the particular contractor or provider.
- A written account of the emergency circumstances shall be sent promptly to the Director of Purchasing as soon as possible. Normal purchasing procedures shall be followed as soon as the emergency is over.
- Failure to plan is not considered reason for emergency purchase.

Bid Waivers for Economic / Single Source Purchases

- The supporting document must include a statement that a review of more than one company has occurred and why the company being recommended should be granted the award.
- Single source recommendations should be based on the critical needs or requirements.
- Use of another supplier would result in incompatibility with existing conditions; require considerable training, time and money to evaluate; the goods or services are being used in ongoing long-term projects.

3.8 Emergency Purchases

Policy

In an emergency, vendors may be contacted verbally to proceed with required goods or services. Department personnel shall make every effort to involve the Purchasing Department in the transaction and the Purchasing Department will make every effort to expeditiously accommodate the department's need.

Definitions

An emergency is a sudden unexpected event that must be dealt with urgently in order to prevent or minimize injury to persons or loss to property, or financial resources. Examples of emergencies are:

- repairs to property due to catastrophic situations such as fire, explosions, or adverse weather conditions.
- a machine, apparatus, or electronic system vital to a project schedule has an untimely breakdown or damage and delay would lead to higher expense.
- the lack of materials or services would seriously endanger the life, safety or health of any person.

An emergency is **not** a potential or probable delay caused by improper planning.

Procedure

- In the event of an emergency, notify the Purchasing Department if practical. If Purchasing is not available, the department should take appropriate steps to immediately handle the emergency to eliminate the threat to personal safety or damage to University property.
- The Purchasing Department is responsible for reviewing documentation after the event ensuring that emergency purchases are valid and properly justified.
- The requesting department must then submit a completed requisition along with a statement explaining the nature of the emergency the next working day. This statement must include a description of the purchase, a description of the emergency, the circumstances leading up to the emergency, and an explanation of why this situation resulted in an emergency purchase.
- A Purchasing Agent will either fax or electronically send a Purchase Order to the vendor if necessary to confirm the order and ease the payment process.

3.9 Credit Card (P-Card) Purchases

Policy

The Associate VP / Controller and the Director of Purchasing have the authority to stipulate the criteria for the use and limitations of University credit cards.

Spending Limits

Spending limits are set by the Accounting Department and are assigned for the card. The maximum transaction limit is \$1,000, unless authorized by the Associate VP / Controller or Director of Purchasing.

Restrictions

With the exception of the Purchasing Department, the following goods and services may NOT be purchased with the card:

- tuition costs
- changes or modifications to an existing order
- legal costs
- personal items

- non-reimbursable charges on sponsored research funds and other restricted grants
- services (unless authorized by Procurement Services)
- medical costs (unless authorized by VP for HR)
- independent Contractors / Consultants
- maintenance and lease agreements
- explosives
- live animals
- ethanol / ethyl alcohol
- narcotics
- hypodermic syringes and needles
- chemicals
- radioactive material
- software
- insurance
- US Customs clearance

Things to consider when making a purchase:

- You have an obligation to always secure reasonable prices on items procured.
- Small minority, small disadvantaged, woman owned and local based businesses should have an opportunity to compete.
- Ask or request that the supplier offer a discount such as: 1) discount off commercial list price, 2) discount for volume orders, 3) discounts for annual volume ordering, or 4) an Education discount (since Colgate is classified as a 501(c)3 tax exempt organization.
- Tell the supplier that Colgate University is a tax exempt organization. The number is printed on the card.
- Shipping information – always instruct the supplier to include the name, department and address on shipments. The University’s terms for shipments are FOB Destination (which simply means that we reimburse shipping costs once products arrive safety at our destination).

Minor vs. Major Infractions

Infractions may require corrective action, retraining, or may result in card suspension, card revocation, or disciplinary action, up to and including termination of employment.

<u>Minor Infractions</u>	<u>Corrective actions</u>
Unauthorized use of card Failure to maintain proper records Failure to obtain required receipts Failure to submit expenses timely Processing multiple transactions that exceed single transaction limit Payment of sales tax Purchase of items or services that bypass preferred Supplier Agreements	Cardholder and Supervisor will be notified 2nd Occurrence – same 3rd Occurrence - card will be suspended for one quarter. Any outstanding expenses must be cleared before a consideration of returning the card can be made. Once the card is returned, if behavior continues, the card will be suspended indefinitely
<u>Major Infractions</u>	<u>Corrective Actions</u>
Theft or Fraudulent activities Unauthorized purchase of restricted materials Intentional purchases for personal use Intentional misuse of Colgate University funds Non-business related travel	Depending on intention or severity, major infractions may result in suspension or revocation of card privileges Improper or fraudulent use of the card may include further disciplinary action, up to and including termination

3.10 Prepayments

Policy

Colgate University will not pre-pay or make deposits for products or services not yet received unless the situation warrants such action as determined jointly by the requesting department and Purchasing. The Purchasing Department will assess the financial stability for those vendors requiring significant (as determined by the Purchasing Department) pre-payments, deposits, or other special payment terms. A pre-payment, deposit or other special payment term may require documentation from the vendor to support the requirement.

Procedure

If the requesting department states on the requisition that a pre-payment, deposit or other special payment term is required, supporting back up from the vendor (on letterhead or company form) must be attached.

If the requesting department needs to hand deliver the check to the vendor (e.g. band, entertainer, speaker), the requesting department will need to work with Accounts Payable to obtain the check once the PO has been issued.

For any purchase order that requires partial payment, the vendor must submit an invoice before payment will be made.

Note – pre-payment is not a best practice. A Purchase Order is a contract to pay once the product or services are received satisfactorily.

3.11 Contractual Review

Policy

All documents that require a signature from an authorized person in the University for the purchase of products or services are to be reviewed by the Purchasing Department if the total expense is \$10,000 or greater. The review is to insure that contractual requirements are included and are favorable to Colgate University before being signed by authorized person per the signatory authority policy dated 01/01/2011.

Procedure Documents are initially reviewed by the Purchasing and recommended changes are noted;

- If agreement is not reached between Colgate and the contracting party, the Purchasing Department may forward the agreement back to Colgate Legal Counsel for a final recommendation;
- A copy of the final fully executed contract must be returned to the Purchasing Department and will be retained in the Purchasing records.

Purchasing with Federal Grants

4.0 Federal Awards and Grants

Purchasing materials, supplies and equipment funded by US Government sources (grants, contracts, cooperative agreements, etc.)

Colgate University is a recipient of grants and awards from US Federal Agencies and purchases under these awards and grants must comply with grant terms and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (commonly called "Uniform Guidance"). All purchases with Federal funds must be allowable, allocable and reasonable.

Principal Investigators named on Federal awards are responsible for ensuring that the purchase of goods and services are procured consistent with this policy. If the source of funds is uncertain at the time of the purchase but it is expected that Federal funds may be used to pay for all or part of a purchase, this policy and incorporated procurement standards shall be followed. If a purchase is not compliant with this policy, the associated expenses will be transferred to a non-federal source of funds.

4.1 Conflict of Interest

Policy

No employee of the University may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. All personnel involved in the purchasing process that may include vendors that employ members of their families, or when they or members of their families have a financial or other interest, must report this information to the Director of Purchasing prior to placing an order. Involvement in the purchasing process may include, but not limited to, recommend sources, submit requisitions, evaluate proposals, place purchase orders, or otherwise have influence on the selection and ordering process.

Procedure

Refer to section 1.3.

4.2 Specification Development Using an Outside Source

Policy

In order to ensure objective supplier performance and eliminate unfair competitive advantage, suppliers who develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such purchases.

Procedure

The requestor is to include documentation that will indicate how the specifications and / or requirements were developed and what persons or companies were involved, if any. This documentation will be provided to the Purchasing Department who will determine if any companies are to be eliminated from the sourcing process to be compliant with the federal regulation.

4.3 Micro-Purchase

Policy

Procurement by micro-purchase is the acquisition of supplies or services in which the aggregate dollar amount does not exceed the micro-purchase threshold of \$10,000 for Federal grants. To the extent practicable, micro-purchases shall be equitably distributed among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the price is reasonable.

Procedure

Refer to the University's procedure on small purchases below \$10,000, found in section 3.1.

4.4 Small Purchase

Policy

Small purchases are orders for products or services that cost between \$10,000 and do not exceed \$250,000. Small purchases require two or more quotations.

Procedure

Refer to sections 3.2 - 3.5 Procedures. The award will generally be made to the lowest quotation unless strong evidence is documented as to why the lowest bidder does not meet specifications.

4.5 Sealed Bids

Policy

Orders for products or services that will result in a firm fixed price and the cost is \$250,000 or greater should use the sealed bid procedure. For federal funded purchases, sealed bids will be publicly advertised and publicly opened.

Procedure

Sealed bidding is a method of contracting that employs competitive bids, public opening of bids, and awards. The Sealed Bid process must be facilitated by the Purchasing Department. The RFP must be publicly advertised. Refer to 3.5 Procedures.

4.6 Sealed Request for Proposal (RFP)

Policy

Orders for products or services that will result in a fixed price or cost reimbursement type of contract and the cost is \$250,000 or greater should use the sealed Request for Proposal. For federal funded purchases, sealed RFPs will be publicly advertised and publicly opened.

Procedure

Sealed RFP is a method of contracting that employs competitive bids, public opening of bids, and awards. The sealed Request for Proposal process must be facilitated by the Purchasing Department. The RFP must be publicly advertised. Refer to 3.4 – 3.5 Procedures.

4.7 Non-Competitive Purchases

Policy

Procurement by non-competitive proposals is procurement through solicitation of a proposal from only one source. This may be used for purchases greater than \$10,000 and when one or more of the following circumstances apply:

- 1) The item is available only from a sole source; see 3.7 for definition of sole source.
- 2) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the University Primary Investigator (PI).
- 3) After solicitation of a number of sources, competition is determined inadequate.
- 4) Emergency situation; see 3.8 for definition of emergency purchase.

Procedure

Non-competitive purchases require a Bid Waiver with the exception of the circumstance when there is inadequate number of responses from a competitive process. All Bid Waivers must be signed by the requester and the Budget Manager or department head. They must include documents supporting the request to waive further bid solicitation.

- 1) Bid Waivers for Sole Source
 - a. Must also be certified by someone with knowledge and expertise in the field in which the product will be used.

- b. The supporting document must include a statement that, in the professional opinion of the certifying individual, it is the only product or service provider that can be used to accomplish the task necessary in an appropriate manner.
 - c. Sole Source exceptions are not appropriate or justified when an informal process is used to determine that one provider has products or services that for various reasons constitute best value. This conclusion should come as a result of competitive quotes, a formal RFP, or RFP process.
 - d. Sole source exceptions should be based on the critical needs or requirements and only one solution can provide a successful result.
- 2) Bid Waivers for Exceptions Granted by a Federal Awarding Agency
 - a. The waiver must be accompanied by a supporting document from the federal awarding agency expressing the exception being granted
 - 3) Bid Waivers for Emergency Purchases
 - a. Refer to section 3.8 Procedures
 - 4) Bid Waivers for Single Source Purchases
 - a. Not allowed when using Federal Grant Funds.

4.8 Breaking Down Orders

Policy

The requesting person or department may not break down requirements that together cost more than the simplified acquisition threshold or the micro-purchase threshold into several purchases that are less than the applicable threshold merely to:

- 1) Permit use of simplified acquisition procedures; or
- 2) Avoid any requirement that applies to purchases exceeding the micro-purchase threshold.

Procedure

Splitting of requirements or issuing of multiple requisitions in order to reduce the aggregate dollar amount below a threshold to avoid having to comply with the associated regulations is not allowed.

4.9 Contract Provisions

Policy

All contracts regardless of value may require specific language by the federal government.

All documents that require a signature from an authorized person in the University for the purchase of products or services are to be reviewed by the Purchasing Department.

Procedure

All documents requiring a signature, and/or documents that indicate terms are to apply must first be reviewed by the Purchasing Department before executing the document and before commencing any work or order. The Federal Government requires that various contract terms be added to agreements. Purchasing will prepare a redline version of the agreement or prepare a separate agreement for this purpose. See section 3.10 Procedures and Responsibility for further guidance.

4.10 Federal Debarment and Suspension

Policy

An order must not be made to parties listed on the government wide Excluded Parties List.

Procedure

All entities will be checked by the Purchasing Department either against the SAMS database or Visual Compliance database prior to each order to confirm that the entity is not on the Excluded Parties list for the federal government.

4.11 Contracting with MBE, WBE & Small Business

Policy

The University must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Procedure

Affirmative steps must include:

- 1) Purchasing is to maintain a list of MBE, WBE, and Small Business companies
- 2) When seeking quotes, bids, or proposals MBE, WBEs, and Small Businesses should be sought and asked to participate.
- 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by MBE, WBEs and Small Business.

4.12 Economic Purchases

Policy

The University must avoid acquisition of unnecessary or duplicative items using Federal Funds. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

Procedure

The department of requestor shall avoid purchasing duplicate items using Federal Funds. Leasing should be considered when applicable.

4.13 Construction

Federal Funded construction projects are allowable only with explicitly permission of the Vice President for Finance and Administration. Purchasing guidelines will be developed for construction project purchases in compliance with Uniform Guidance when such a situation arises.

Ancillary Purchasing Policies

5.1 Disposal of University Owned Equipment

Purpose

Define the process for the disposal of University owned equipment.

Policy

University property, which is no longer of use to a department, must be reported to the Purchasing Department. A department may not unilaterally dispose of any University property.

The Purchasing Department has responsibility for determining the appropriate disposition of all surplus University property (other than land), and for authorizing and accomplishing such disposition.

Procedure

The process for items is:

1. Determine that an item is no longer needed.
2. Notify Purchasing, and they will inspect items and determine if they are to be salvaged or considered trash.

3. If it is determined it is trash, the department will make arrangements with Facilities to have the items disposed of. If it is determined that items are to be salvaged, the next step is taken.
4. Purchasing will post items on the internal website for 10 days. During this time, other departments may indicate they have a use for the item in which case the item will be removed from salvage status.
5. After 10 days, if no other department has a need for the item, Purchasing will remove the item from the webpage and start the process of selling the item, generally through an electronic auction site.
6. Purchasing will bar code the item for pickup on the next scheduled pickup day.
7. The item will be held at a storage facility until the end of the auction.
8. The successful buyer will arrange to pick up the item at the storage location.
9. If the item is not sold, the storage company will be instructed to dispose of the item.

For large capital projects, Purchasing will need to be notified at least two months in advance of any move out. This notification must include a finalized list of items to be salvaged. Items will be put on one of the online sites for auction. Successful buyers will remove the item from the location on dates specified in the auction details.

Reference: <http://www.colgate.edu/offices-and-services/purchasing/salvagesurplus>

Disposal of surplus items through charitable donations may be considered by the Director of Purchasing and the VP of Finance and Administration. Organizations wanting to be considered for a donation of specific items must submit their request to the Director of Purchasing.

5.2 Recording of Capital Equipment Purchases

Purpose

Define the procedure for the purchase of capital equipment.

Policy

Responsibility for the accounting and reporting on capital equipment management is shared by two groups: the Comptroller's Office and the Purchasing Department. This structure is designed to ensure compliance with both financial and government policies and procedures regarding equipment. All equipment that has an assembled cost of \$5,000 or more must be added to the capital equipment list and an asset number will be assigned.

Procedure

Purchasing is responsible for coordinating the tagging and annual inventories required. They work in conjunction with the Comptroller's Office to assure the tagging and inventories are accomplished on a timely basis. It is the responsibility of the department who oversees or manages the particular piece of equipment on the asset list to notify Purchasing before disposing or transferring the equipment to another department. Purchasing is to remove or receive the inventory tag or number when any equipment is sold or disposed of so that it can be removed from the asset list.