

# Purchasing Policy

Revised: 3/21

Issued By: Office of the Vice President for Business and Finance

## I. General Policy Statement

This policy outlines the procurement practices for purchasing goods and services at Clarke University (the "University"). The policy addresses competitive bidding and supplier selection, approval and issuance of purchasing transactions, purchasing methods, authorizations, required documentation, and ethical practices.

## II. Reason for Policy/Purpose

With the University's diverse and decentralized operations, it is appropriate to establish an overarching policy to guide procurement transactions. Responsible stewardship in the expenditure of University funds entails the proper combination of price, quality, and reliability. This requires that employees involved at every step of the process take full responsibility for understanding the University's policies and procedures regarding purchasing and vendor relations. This policy is meant to support the need to get products and services in a timely and cost effective manner, while ensuring appropriate business processes are followed. This policy is meant to provide guidance to end users making purchases on behalf of the University.

## III. Policy

### A. General Principles

The University's goal for every purchasing transaction is to obtain the best value.

As set forth in this policy, certain purchasing transactions require competitive bids. The University's procurement policy is intended to be consistent with the procurement requirements set forth in federal regulations codified in [2 CFR 200](#).

### B. Ethical Standards

It is the policy of the University that its employees conduct the affairs of the University in accordance with the highest ethical, legal, and moral standards. An employee must not be in a position to make a decision for the University if his or her personal, professional, or economic interests (or those of his or her immediate and extended family members) may be directly influenced or affected by the outcome.

University employees shall not solicit or accept, directly or indirectly, anything of material economic value as a gift, gratuity, favor, entertainment or loan, which is or appears to be designed to influence official conduct in any manner, particularly from a person who is seeking to obtain contractual or other business or financial arrangements with the University.

Purchasing decisions should be made free from any actual, potential, or perceived conflicts of interest.

Purchasing decisions should be made with integrity and objectivity.

To protect our suppliers' rights to confidentiality, and the University's interests, competing suppliers must not be told the prices, terms, or conditions quoted by other suppliers.

### C. Methods of Procurement

There are two methods of procurement at the University:

#### 1. Purchase Order and Accounts Payable

All check requests are to be submitted along with supporting documentation in the [Check Request Hub](#) or via email to [accountspayable@clarke.edu](mailto:accountspayable@clarke.edu) until the Hub is fully released to all departments.

The Hub is the Clarke check requisitioning system. By utilizing this check request method, the requisitioner is provided with a more streamlined experience, and automated workflow for approvals. All employees and students are required to sign up for direct deposit to receive their reimbursement. This can be done through Myinfo.

A Purchase Order must be obtained for all purchases over \$5,000, including orders for supplies, equipment, rentals, etc. Exceptions are made for utilities, annual literary subscriptions, food services groceries, items that are part of a signed contract, items on the approved capital budget, and other services where the process to obtain a purchase order has been deemed unnecessary by the Controller. Purchase Order Requests (POR) and/or check requests should contain:

- The appropriate general ledger budget accounts number
- The name of the responsible budget officer
- The name and address of the vendor
- Item(s) purchased
- Cost

- Description of item(s) and reason for purchase
- Notation of any special handling instructions
- Names/business purpose on any meals purchased
- Itemized receipts/invoices attached to check requests

The purchase order, along with any supporting documentation, should be completed on the Purchase Order Hub (or by email until Hub is available to everyone). You will receive notification once approved. After the order has been received, the invoice should be processed for payment. If original receipts or a copy of the original receipts are not available, the [Missing Receipt Affidavit](#) must accompany the Check Request detailing the nature of the expense, date, amount, reason why the original receipt is not available and signature from the appropriate approver.

Purchase Orders are processed daily. Accounts Payable requests submitted by noon on Tuesday, will be issued a check/ACH on the following Monday.

Purchases \$50,000 or greater require the approval of the VP for Business and Finance. Purchases \$250,000 or greater require the approval of the President. The Purchase Order Request should be completed **before** the purchase is made. Payments to new vendors and compensation to individuals require a completed [W-9 form](#) to facilitate proper tax reporting. [The Travel Expense Report](#) (TER) should be used for travel reimbursements and submitted through the Check Request Hub

## 2. University Purchasing Card

The University Purchasing Card program provides an efficient way to purchase low-dollar business-related goods and services. For more information, see the [University's Purchasing Card Policy](#).

### D. [Competitive Bidding Requirements](#)

This section sets forth the dollar thresholds that trigger competitive bidding requirements, and describes those requirements for (1) purchases using non-sponsored funds, and (2) purchases using sponsored funds. The University has elected to adopt the \$10,000 Micro-Purchase Threshold and the \$250,000 Simplified Acquisition Threshold of the National Defense Authorization Act.

#### 1. Purchases Using Non-sponsored Funds (This will cover most Clarke purchases)

For purchases less than or equal to \$9,999, departments should use good judgment in identifying potential suppliers. The Business Department can assist by supplying vendor lists, negotiating discounts, and providing support as requested.

Purchases between \$10,000 and \$24,999 require departments to obtain an adequate number of bids (2 or more, three preferred) from qualified sources.

Obtain a minimum of two bids (three preferred) from qualified sources. Departments will submit these bids with the purchase order request for review. If there are limited sources of supply, departments are to provide justification for the purchase.

Purchases of \$25,000 or above require a minimum of two bids (three preferred) from qualified sources. If there are limited sources of supply, purchases may be approved without two or more bids, but the department must justify the purchase with a Non - Competitive justification form.

\*Construction projects costing \$2,000,000 or more must be approved by the Facilities Committee of the Board of Trustees, and either the Executive Committee or full Board of Trustees.

Consistent with the requirements of 2 CFR 200, requirements may differ in the use of competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, is allowed subject to negotiation of fair and reasonable compensation.

## 2. Purchases Using Sponsored Funds (you will know if this is you)

Purchases using sponsored funds must be made in accordance with OMB's Uniform Guidance, 2 CFR 200, which requires:

- basis for vendor selection,
- justification for selected or non-competitive purchases, and
- basis for the price of the purchase.

Written documentation is not required for transactions under \$9,999 as long as the transaction is deemed reasonable. Verification of the reasonableness of a price may be accomplished by comparing it to previous purchases, having personal knowledge of the item being purchased, or comparing the price for the item to the price of similar items purchased. To the extent practicable, purchases must be distributed equitably among qualified suppliers with reasonable prices.

For purchases between \$10,000 and \$24,999, departments shall follow the procedures outlined in the Purchases Using Non-sponsored Funds section above. Procedures may include the comparison of submitted price quotations, market prices or similar items, and

other considerations that justify the accepted bid. Department bids are subject to review by the Business Department.

For purchases in excess of \$25,000, the Department shall follow the procedures outlined in the Purchases Using Non-sponsored Funds section above. Procedures may include the comparison of price quotations submitted, market prices, or similar items, and other considerations that justify the accepted bid.

For purchases in excess of \$250,000, the current Simplified Acquisition Threshold level defined by the OMB Uniform Guidance, 2 CFR 200, the Business Department must complete a price analysis and conduct a sealed, public, competitive bidding process with at least two bids obtained and analyzed.

For purchases over \$25,000, any supplier debarred or suspended by the federal government is not permitted to do business with the federal government, under government contracts or subcontracts, and the University may not contract with such suppliers unless an exception is granted in writing by a government contracting officer.

The Business Department is responsible for verifying that potential suppliers are not on the government's list of debarred or suspended contractors (<http://sam.gov/>).

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### 3. Non-Competitive Purchases

Certain purchases are exempt from the above competitive bid requirements. Exempt purchases are those that meet at least one of the following conditions:

- Items sold through manufacturer only; no other comparable unit available.
- Used or demonstration equipment available at a lower-than-new cost. Must match existing piece of equipment and be available only from the same source of the original equipment.
- Repair/Maintenance service requires expertise in operations on unit.

- Necessary parts unavailable from any source except original equipment manufacturer or their designated servicing dealer.
- Service(s) provided by the vendor are unique.
- Preferred Suppliers available, but do not meet end user requirements.
- Purchases for certain professional services as categorized by the Purchasing Department and approved by a University officer (University officers are identified in the University's Bylaws).

#### E. Diverse and Inclusive Purchasing

The University strives to promote the development of business relationships with diverse and local suppliers. The University is committed to developing mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged, veteran-owned, HUB zone, LGBT and local business enterprises. The program is the University's initiative to create opportunity for suppliers to market their products and services to the University and encourage University departments/schools to offer opportunities to such suppliers.

#### F. Sustainable Purchasing

Clarke University is committed to the purchase and use of environmentally and socially responsible materials, goods, and services that conserve energy and natural resources and minimize damage to the environment and human health. This encompasses all stages of a product's life cycle, including production, use, and disposal. Individuals expending University funds should select ecologically friendly products whenever reasonably practical.

#### G. Purchasing Products Bearing University Trademarks

Reach out to the Campus Store when looking at purchasing items with a University logo, they have many already developed relationships with suppliers and may be able to negotiate a better cost.

#### H. Emergency Purchasing

When an emergency situation occurs, an authorized Business Department representative may make a commitment to a vendor without a formal purchase order. Such transactions would include, for example, an unanticipated and sudden life-threatening or catastrophic event.

## I. Preferred/Contract Suppliers

In order to streamline the supplier selection process, the University has established contracts and/or memberships with Preferred or Contract suppliers for the most commonly purchased goods and services, or in those areas that these agreements are deemed in the best interest of the University. Preferred or Contract suppliers must be used whenever possible. Suppliers without University contracts should only be considered if Preferred or Contract suppliers do not provide the good or service, or if the pricing is not competitive. The University currently has an Amazon Business Prime and Sam's Club Membership for in store or online purchases.

## J. Sales Tax

The purchaser has the responsibility of notifying vendors that Clarke University is exempt from sales tax and providing the vendor with a copy of the [University's Sales Tax Exemption Certificate](#). In Iowa, the University is only required to pay sales tax on prepared meals and lodging. The University will not reimburse an individual or pay for the sales tax on an invoice if the University is exempt from the tax.

## K. Consortia and Group Purchasing

The University may sponsor and or participate in cooperative purchasing agreements and activities, or utilize agreements with nonprofit, educational or public health institutions, other state agencies, or political subdivisions.

## K. Gift Cards

Gift card purchases are NOT allowed unless approved in advance by the Business Office.

## IV. To Whom Does This Policy Apply

Faculty     Staff

### A. Definitions



**Best Value** - is a procurement concept that looks at factors other than price, such as quality, warranty, maintenance, past performance and expertise, when selecting suppliers.

**Bid or Bidding** - is a process performed by a "buyer" used to determine the cost or value a product or service based on the context of the situation.

**Consortia or Group Purchasing** - is an entity that is created to leverage the purchasing power of a group of businesses to obtain discounts from suppliers based on the collective buying power of the members.

**Contract Supplier** - is a supplier who has participated in a competitive bid process or a rigorous negotiation process by the Purchasing Department, and it was determined that this contract is in the best interest of the University.

**Non-Sponsored Funds** - all other sources of funding not defined as Sponsored Funds.

**Micro-purchase Threshold** - means an acquisition of supplies or services, the aggregate amount of which does not exceed the \$10,000 micro-purchase threshold.

**OMB Uniform Guidance 2 CFR 200** - is the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, implemented to streamline and define requirements for the use of federal monies.

**Preferred Supplier** - is a supplier with whom the Purchasing Department has negotiated and/or implemented a university-wide agreement and delivers as the "best overall value" in providing products, services, delivery, and customer service. These suppliers have participated in a competitive proposal and negotiation process, were selected because they meet criteria established by commodity teams comprising campus users.

**Qualified Source** - is a supplier with the means and ability to supply all required goods or services in the manner required.

**Simplified Acquisition Threshold** - Simplified acquisition threshold means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. The simplified acquisition threshold is set by the Federal Acquisition Regulation and is \$250,000,

**Sponsored Funds** -sources of funding provided by entities outside the University or internal sources of funding used to provide cost sharing to related external funds.