

IDAHO STATE UNIVERSITY

Purchasing Procedures

Annual Review: November 1, 2019

I. INTRODUCTION

The purpose of this document is to outline the specific responsibilities and procedures for the acquisition of goods and services at Idaho State University and to augment the Purchasing Policy.

II. PROCEDURE STATEMENT

The function of the Purchasing Department is the administration of centralized purchasing services for all departments of the University. By providing these services in accordance with sound business practices, the Purchasing Department seeks to realize for the University the maximum value for every dollar expended.

III. AUTHORITY AND RESPONSIBILITIES

The Purchasing Department is overseen by the Chief Financial Officer. Procurement authority has been delegated to the Director of Purchasing by the State Board of Education. All procurement transactions of Idaho State University are governed by Purchasing Policy #2560 approved by the State Board of Education. See also Purchasing Card Policy 2570.

IV. PROCEDURES TO IMPLEMENT

Purchase Orders and the Purchasing Card are the authorized means to acquire goods and services. This provides protection for the University as well as our vendors from individuals claiming to represent ISU who place orders fraudulently. University employees should not place an order without being able to give the vendor a Purchase Order number or Purchasing Card number. This procedure gives our suppliers the assurance they have a bona fide order.

All funds deposited with the University, regardless of source, are university funds and must be handled in accordance with university policy. Although departments are allocated funds in their budgets for a given period, this allocation is only an authority to requisition, not to purchase.

A. Authorized Purchases

No person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the purchase obligation. This practice applies to all requisitions regardless of the source of funding.

B. Direct Pay

The Direct Pay process may be used for payment to speakers, artists, and entertainers (Independent Contractor), magazine subscriptions, memberships, professional licenses, participant support costs, and certain reimbursements. In these circumstances, Direct Pay forms and invoices are sent directly to the Controller's Office. This form is available at <http://www.isu.edu/finserv/forms.shtml>. All other payments should be made via the Purchasing Card or the Purchase Order processes.

C. Federal Funds

Procurement requirements used when federal funding is involved can be more restrictive than requirements for the State of Idaho. (See The Code of Federal Regulations:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

Purchasing

Standards comprise part 200.317 through 200.326. When all or part of the funding of an acquisition involves federal funds, the entire purchase will be conducted following federal requirements. An example of special Federal Fund handling is when federally funded equipment with a value of \$5,000 or more, or owned by the granting agency, is to be removed from the ISU inventory system (CPIS), the Office of Research, Grants and Contracts Accounting must be notified.

D. Improvements to Physical Facilities

All improvements to ISU buildings and grounds are to be directed by Facilities Services. Improvements such as, but not limited to, asbestos abatement, carpentry/construction/remodeling, electrical, floor coverings, grounds, HVAC, painting, paving, plumbing, signage, snow removal, renovation, repair, and window treatments are to be coordinated with Facilities Services.

E. Leases

The Purchasing Department can assist with a lease for goods. An unsigned copy of the proposed lease agreement should accompany the requisition. Leases for office space, storage, residence etc. are handled by Facilities Services and the Department of Public Works.

F. Purchasing Requirements by Dollar Threshold

Informal Purchases

An acquisition with a total value of less than \$250,000 is a small or informal purchase.

A Request for Quotation may be obtained in accordance with the following guidelines:

- a. Up to \$9,999 Solicitations are not required but Quotations may be solicited at the discretion of the buyer.

- b. \$10,000 up to \$249,999 The Purchasing Department will obtain quotes, either in writing or by telephone, depending on the competitive nature of the items requested. Three (3) quotations must be from vendors having a significant Idaho presence.

Formal Purchases

An acquisition with a total value of \$250,000 or more is a large or formal purchase. An Invitation to Bid or Request for Proposal will be issued by the Purchasing Department.

G. Purchase Order

The Purchase Order is prepared by the Purchasing Department from the departmental requisition. A regular purchase order is used for a one-time purchase. A standing purchase order can be used for a given period such as a fiscal year for repetitive purchases with the same vendor. Examples of standing orders are utility payments and vehicle repair parts. Buyers handle purchase order maintenance that need to be communicated to the vendor, such as cancellations and change orders. The purchasing office can also assist departments with damages, shortages, mistakes in shipping, and returns. Timeliness is critical in working with vendors.

H. Purchasing Card

The P-card program is designed to establish a more efficient, cost-effective method of purchasing and paying for diminutive transactions. All purchases made with the p-card must comply with Purchasing Card Policy and the ISU P-card Procedures Manual. Each P-card purchase must have a valid business objective of the University.

I. Rehabilitation Agency Acquisitions.

Acquisitions of property that are provided by non-profit corporations and public agencies operating rehabilitation facilities serving the handicapped and disadvantaged, offering goods for sale at fair market price are exempt from the solicitation process. Products purchased from Correctional Industries are also exempt from the solicitation process and dollar thresholds.

J. Requisitions

Departments communicate their needs for goods and services via the requisition process. Requisitions are generated in the campus Banner system. Departments are encouraged to be

specific describing the product or service they need. Suggested vendors should be included in the document text portion of the requisition. Include the “ship to” name and address. Requisitions flow through an approval process of individuals and departments responsible to verify accuracy, completeness, and availability of budget funds to support the acquisition. It shall be the responsibility of the requestor and approvers to determine and ensure funds are available and properly budgeted for the acquisition. When the final approval is given, Banner sends the requisition to the Purchasing Department. The requisition properly approved in Banner, is the authorization for the Purchasing Department to begin the procurement process.

K. Sales Tax

The University is exempt from State and City Sales and Use Tax. To obtain a copy of the ST101-Tax Exemption Form contact the Purchasing Department. When on University business, this form may be taken or sent to the vendor.

L. Signatory Authority

All university representatives with signatory authority are required to abide by the procedures outlined in this document and Purchasing Policy #2560 when reviewing, approving, or submitting contracts for approval. Reference ISUPP 10500 Contract Administration.

M. Statewide Contracts

To facilitate the purchase of frequently purchased and/or low dollar items, the State of Idaho Division of Purchasing has established statewide contracts. A list of these contracts is available through the purchasing department and a link has been created on the purchasing home page at: www.isu.edu/purchasing. The State Procurement Act allows institutions of Higher Education to use non-contracted vendors when the property to be acquired may be procured at equal or less expense (see Purchasing website). Use of statewide contracts for personal use is prohibited. Some vendors offer discounts to all state employees. Contact the Purchasing Department for information.

N. Trade-In

Trade-in of existing equipment currently tagged and included in the ISU inventory system (CPIS) requires prior authorization from the State Board of Examiners. Once this approval is obtained, the trade in process must be part of a solicitation or exemption. The solicitation will give vendors an opportunity to put a dollar value on the equipment to be traded in and provide pricing for new equipment. This process gives the buyer the data to determine net cost.

O. Travel

The Purchasing Department can assist student group travel with bus or airline charters. Other student travel expense is managed with the Travel Card issued by the Controller’s Office. All employee travel is managed with the Travel Card through the Controller’s Office.

P. Turnaround Time

Time is the most critical component in the purchasing process. Formal purchases can take from 3 to 6 months or longer, depending on the dollar value and complexity of the solicitation. Involve the buyer early in the planning process to help with timelines, estimated costs, and potential vendors.

Q. Unique Purchases

Some items purchased for ISU such as radioactive or hazardous materials, controlled substances, duty free alcohol, and live animals require special handling, licenses, or certificates. End users are advised to contact the appropriate department such as the Technical Safety Office, Pharmacy Department, or Animal Care Facility to obtain authorization. When special written authorization is required, these documents should be sent to the Purchasing Department when the requisition is created.

R. Vendors

Vendors are selected for their capability to serve the needs of the University in the most economical and efficient manner possible. Past performance and cooperation are important factors. Requisitioning departments are encouraged to suggest vendors for unusual items.

Authority for the final selection of the vendor shall be left to the Purchasing Department, which

will make its decision in the best interest of the University. University employees wishing to see samples or have equipment demonstrated should contact the appropriate commodity buyer in the Purchasing Department for assistance. University personnel who find it necessary to contact sales representatives directly are reminded to communicate to them that their discussion is preliminary with no commitment. They should also advise the prospective vendor that a purchase order will be issued by the Purchasing Department should a procurement decision be made.

Signature:  9/13/2018
Director, Purchasing Services Date