

Name of Policy: <u>Procurement Policy</u> Policy Number: 3364-40-15 Approving Officer: Executive Vice President for Finance and Administration/CFO Responsible Agent: Sr. Director, Supply Chain Management Scope: All University of Toledo Campuses		 Effective date: Original effective date: December 1, 2010	
<input type="checkbox"/>	New policy proposal	<input type="checkbox"/>	Minor/technical revision of existing policy
<input checked="" type="checkbox"/>	Major revision of existing policy	<input type="checkbox"/>	Reaffirmation of existing policy

(A) Policy Statement

The University has established this policy to guide employees in the procurement of goods, services, construction and capital equipment. This policy adheres to the procurement guidelines of the Ohio Revised Code; the Ohio Administrative Code; Ohio Ethics Law, and the Board of Trustee Resolution for Competitive Procurement Authority and Approval (as may be amended); as well as requirements of Federal Acquisition Regulations (FAR) and Office of Management and Budget (OMB) for Uniform Administrative Requirements, Cost Principles and Audit Requirements (Uniform Guidance) 2 CFR Part 200 for grants, contracts, and sponsored programs.

(B) Purpose of Policy

The purpose of this policy is to ensure that University employees conduct procurement related activities in a fair and open manner, free from collusion and apparent conflicts of interest. As a state of Ohio public institution, the University is held to a high degree of public accountability and each procurement decision must be made in a reasonable and responsible manner, consistent with the University’s mission, applicable laws and ethical practices.

(C) Authorization to Utilize Funds

Prior to procurement activity (inclusive of all procurement tools utilized such as procurement card (p-card) and requisitions), employee must obtain authorization to procure goods, services or capital equipment. Such authorization is obtained from the employee having fiscal budgetary responsibility for each department (subject to approved dollar thresholds) or in the case of grants, contracts or outside sponsored funds, by the Principal Investigator (PI) or Project Director.

Approvals can be obtained in writing when University indexes are created for procurement purposes; placed directly on documentation when hard copy forms are completed; implemented as

part of initial workflow creation for electronic procurement or as part of University issued procurement card application process.

Regardless of procurement method utilized, the employee is responsible to ensure that authorization has been obtained; that funding (single or split) is available and if utilizing grant, contract or outside sponsored funds, that purchase is allowable as per the sponsoring agency. All such authorizations must be obtained prior to the commitment of funds for the purchase.

(D) Roles and Responsibilities

Regardless of funding source, all employees authorized to conduct purchasing activities must adhere to the procedures as defined in the University's Procurement Manual. (www.utoledo.edu/depts/supplychain).

This manual outlines procedures to be utilized for all funding sources including University funds; state appropriated funds; outside sponsored funds and UT Foundation funds. It also addresses in detail procurement activity requirements related to the purchase process for goods, services and capital equipment that fall below University's competitive bid limit; those that exceed the University bid limit, as well as exceptions to these requirements.

Employees are hereby advised that when procurement activity involves utilization of federal or outside sponsored funds, the most restrictive of either the University or the individual grant, contract or sponsor guidelines, policies, or procedures will be utilized.

(E) Mandated Use of University Contracted Suppliers and Agreements

The University has competitively selected, formally negotiated or has access to contracted supplier agreements for numerous goods, services, construction and capital equipment purchases. In utilization of these contracted suppliers, the University negotiates benefits which include favorable terms and conditions; guaranteed performance levels, no-hassle return policies, free or reduced freight costs, volume incentives, liability and insurance protection, as well as discounted pricing. Refer to www.utoledo.edu/depts/supplychain for a list of these contracted suppliers.

Utilization of these contracted suppliers is mandatory. As such, employees having procurement related responsibilities should direct relevant purchases to these contracted suppliers. To opt out from using a contracted vendor for a purchase, approval must be obtained from the Sr. Director, Supply Chain Management or the Procurement Manager. For spend categories not represented by a contracted supplier, follow the established guidelines in the procurement manual for competitive selection of vendor.

(F) Procurement Tools & Systems

The University utilizes various procurement tools and finance systems to procure goods, services, construction and capital equipment. Usage of the procurement tool or finance system is dependent upon funding source, dollar amount, supplier capability and outside sponsor requirements. Procurement tools for purchases include:

- (1) University issued P-Card
- (2) Purchase Order

Refer to [Procurement Manual](#) and/or P-Card Manual for specific information and instructions for use.

(G) Competitive Selection

As a state of Ohio public institution, the University will utilize competitive selection whenever possible. To comply, employees involved in procurement activities should obtain at least three (3) competitive quotations for purchases under the established thresholds of \$150,000 for goods, \$250,000 for services, and \$250,000 (or such amount established by the State of Ohio) for construction and work with purchasing to conduct a formal competitive process when purchases exceed these thresholds. For construction projects under the stated threshold amount, departments are instructed to work with facilities and construction to ensure University standards for construction and renovations are maintained.

Competitive selection is also a requirement when utilizing federal funds. When utilizing these funding sources, suppliers that develop or draft specifications, requirements, and statements of work, invitation for bids and/or requests for proposals must be excluded from competing for same procurement requirements. This ensures objective contractor performance and eliminates unfair competitive advantage. Refer to [Procurement Manual](#) for specific information.

Should competitive selection not be made evident, Purchasing reserves the right to conduct a formal competitive selection process whenever it would best serve the interests of the University or as required by sponsor if utilizing outside sponsored funds.

(H) Purchases in Excess of \$1,500,000

The Board of Trustees will review and approve all purchases of goods, services, or equipment greater than \$1,500,000. Renewals of existing agreements, purchases for categories such as utilities, maintenance contracts and benefit plans, as well as any contract or agreement to an expenditure that are included in the annual operating budget are exempt from this approval process. Approval must be received prior to issuance of a purchase order or signing of an agreement. A material purchase that cannot be deferred and must be executed in between Board meetings (e.g., market conditions, pricing opportunities, emergency purchase to maintain structural safety and operation of facilities) can be authorized by the president or the executive vice president for finance and administration after consultation with and approval from the Chair and Vice Chair of the Board of Trustees. A report of such purchases will be presented at the next scheduled Board meeting.

(I) Facilities Improvement Projects in Excess of \$3 Million

The Board of Trustees will review and approve all facilities improvement projects greater than \$ 3 million. Approval constitutes the review of specifics of the purchase or project, including but not limited to site selection, design, construction, equipment specifications and any services required for the completion of the purchase or project. There may be instances where purchases or contracts for any emergency purchase are necessary to keep facilities structurally safe and or operational; these exceptions may proceed without Board of Trustees approval. In the normal course of business, if it is necessary to initiate a project between Board meetings, the president or the executive vice president for finance and administration are the designated authorities to review and approve after consultation and with approval from the Chair and Vice Chair of the Board of Trustees. A report of such projects will be presented at the next scheduled Board meeting.

For state funded biennium capital , a listing of facility projects, along with the related costs, will be provided to the Board prior to submission to the state.

(J) Real Estate Transactions

Any sale or purchase of real property in the name of the university or Board of Trustees, or acceptance of the gift of real property, requires review and approval of the Board.

(K) Competitive Bid Waivers

In unique and rare instances, waivers to the competitive bid requirements of the University may be issued. Such requests require completion of designated form; validation by the Purchasing department and approval by the Sr. Director, Supply Chain Management. Refer to [Procurement Manual](#) for specific information.

(L) Authorized Signatory

Suppliers may provide documentation to employees which require University signature. Such signatures bind the University to the terms and conditions stated on the documentation.

Due to the responsibility such signatures have, the University has a formal policy in place which specifically identifies who is authorized to sign documentation on the University's behalf. Refer to [Policy #3364-40-08 Contract Administration and Signatory Authority Policy](#) for specific Information.

Based on this authorized signatory policy, most procurement related documentation are required to be signed by the Sr. Director, Supply Chain Management. Any individual who signs documentation on the University's behalf without having proper signatory authority may be held personally liable to any adverse issues that may arise.

(M) Conflict of Interest & Ethics

The University has a formal conflict of interest policy. Refer to [Policy #3364-25-18 Conflict of Interest](#) for specific information.

This policy adheres to the [Ohio Ethics Law \(ORC Chapter 102 and ORC Sections 2921.42 and 2921.43\)](#). In summary, employees having procurement related responsibilities should at no time accept or receive items, gifts, money, meals, or entertainment (either personally or for the University) from any supplier or potential supplier of the University that are considered substantial or improper. During your participation in procurement related activities, all apparent or potential conflicts of interest; direct or indirect personal or financial interests; service on a board of directors or advisory council tied to any supplier or potential supplier must be fully disclosed to the Sr. Director of Supply Chain prior to commitment of funds to specific supplier.

For federally funded purchases, no employee, officer, or agent 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. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Refer to [Procurement Manual](#) for specific information.

(N) Accessibility

All University agreements must contain a provision stating that supplier assures the University is compliant with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. Refer to [Procurement Manual](#) for specific information.

Per [Policy# 3364-15-15 Technology Accessibility](#), the University shall acquire products that comply with applicable standards of Section 504 of the Rehabilitation Act of 1973 as well as the WCAG 2.0 standards regarding telecommunications, technology provisions, and software when such products are available in the commercial marketplace.

(O) Export Control

The university will comply fully and completely with all United States export control laws and regulations as it pertains with procurement of goods that will be directly shipped or services that will be performed in locations outside of the United States. Purchasing will screen suppliers through PaymentWorks and request suppliers to provide technical specification sheets and the ECCN number (export control classification number as assigned by the Department of Commerce) or the USML classification number (US Munitions list as assigned by the Department of State) if there is reason to believe an item will be subsequently exported. Prior to the award of a bid, signing of contracts or release of purchase orders for export controlled items, purchasing shall confirm the supplier is not on the Specially Designated Nationals List by checking the federal consolidated list at http://2016.export.gov/ecr/eg_main_023148.asp

Export controls apply to all international University activities, purchases and/or disposal of items involving controlled information or technology, regardless of funding source.

Refer to <https://www.utoledo.edu/research/exportcontrol> for specific information.

(P) Violations

Any person who violates this policy may be personally liable for that purchase and may result in progressive disciplinary actions up to and including termination.

<p>Approved by:</p> <p><u>/s/</u> President</p> <p>Date</p> <p><i>Review/Revision Completed by: Sr. Director, Supply Chain Management SLT</i></p>	<p>Policies Superseded by This Policy:</p> <ul style="list-style-type: none">• <i>3364-41-01 Internal Payment Request Authorization (Requisition limits for non-capital purchases)</i>• <i>V-4-4 Purchasing Policies (former University of Toledo – Main Campus Policy)</i>• <i>V-4-5 Unauthorized Purchases (former University of Toledo-Main Campus Policy)</i> <p>Initial effective date: December 1, 2010</p> <p>Review/Revision Date: March 29, 2018, September 23, 2012, June 21, 2021</p> <p>Next review date: June 21, 2024</p>
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