

Kean University

Kean Digital Learning Commons

Evidence Inventory

2020

Purchasing Guidelines

Kean University

Follow this and additional works at: https://digitalcommons.kean.edu/evidence_inventory

Recommended Citation

Kean University, "Purchasing Guidelines" (2020). *Evidence Inventory*. 59.
https://digitalcommons.kean.edu/evidence_inventory/59

This Policies and Procedures is brought to you for free and open access by Kean Digital Learning Commons. It has been accepted for inclusion in Evidence Inventory by an authorized administrator of Kean Digital Learning Commons. For more information, please contact learningcommons@kean.edu.

Purchasing Guidelines

Abstract

PURCHASE ORDER

A purchase order contract is legal document governed by the Law of Contracts and the Uniform Commercial Code of Law (UCC). It is a contract between Kean University and a supplier for goods and services; therefore, it is the only method of acquiring goods and services for the University. University terms and conditions are also part of all contracts.

PAYMENT

Some suppliers require prepayment with a purchase order; therefore, the exact price should be determined before prepayment is requested. Follow the steps below to process a prepayment order:

1. Send all order forms and invoices that will accompany the prepayment to University Procurement and Business Services.
 2. Write the requisition number on the documentation being sent. (The requisition number is the number automatically assigned to a requisition through the online Distributed Financials purchasing system.)
- Examples of pre-payments are: theater tickets, subscriptions, lectures, honorariums, consultants and memberships.

BID SPECIFICATIONS

University Procurement and Business Services issues bid specifications that will permit fair and equitable consideration from qualified suppliers. Specifications should be written as openly as possible to avoid the exclusion of potential bidders.

The nature of certain goods and services may make it difficult to formulate specifications. In such cases, the user department may specify a brand name, model number, or item catalog number and should include the words "or equal" as part of item specifications.

Any alternates offered by the low bidder as "equal" should be reviewed for acceptability by the ordering department and University Procurement and Business Services. If alternates are not acceptable, the department must give written justification for each alternate rejected. This written justification is retained in the bid file and shall be open to the public for review, if requested.

Download file to read more -->

Keywords

purchasing guidelines, Payment, Bid specification, Set Aside Purchases, Bidding Procedures, Guidelines for Competetice bidding, Bidding Thresholds

Purchasing Guidelines

PURCHASE ORDER

A purchase order contract is legal document governed by the Law of Contracts and the Uniform Commercial Code of Law (UCC). It is a contract between Kean University and a supplier for goods and services; therefore, it is the only method of acquiring goods and services for the University. University terms and conditions are also part of all contracts.

PAYMENT

Some suppliers require prepayment with a purchase order; therefore, the exact price should be determined before prepayment is requested. Follow the steps below to process a prepayment order:

1. Send all order forms and invoices that will accompany the prepayment to University Procurement and Business Services.
2. Write the requisition number on the documentation being sent. (The requisition number is the number automatically assigned to a requisition through the online Distributed Financials purchasing system.) Examples of pre-payments are: theater tickets, subscriptions, lectures, honorariums, consultants and memberships.

BID SPECIFICATIONS

University Procurement and Business Services issues bid specifications that will permit fair and equitable consideration from qualified suppliers. Specifications should be written as openly as possible to avoid the exclusion of potential bidders.

The nature of certain goods and services may make it difficult to formulate specifications. In such cases, the user department may specify a brand name, model number, or item catalog number and should include the words “or equal” as part of item specifications.

Any alternates offered by the low bidder as “equal” should be reviewed for acceptability by the ordering department and University Procurement and Business Services. If alternates are not acceptable, the department must give written justification for each alternate rejected. This written justification is retained in the bid file and shall be open to the public for review, if requested.

SET ASIDE PURCHASES

It is the mission of University Procurement and Business Services to provide fair and equal treatment to all suppliers involved in the procurement process. All contracts for the purchase or lease of goods and services are awarded through competitive bidding or negotiation processes established by University Purchasing.

Kean University, in conjunction with the New Jersey Department of Commerce & Economic Growth Commission in Trenton has established a Small, Minority and Women-owned Business Enterprise, also known as an SBE, MBE and WBE respectively, procurement program in the State of New Jersey. The goal of this program is aimed at stimulating the growth of SBE's, MBE's and WBE's by encouraging their participation in all phases of the procurement activities at Kean University. The targets are to award 25% of the dollar value of contracts to eligible small, minority and female-owned businesses.

University Procurement and Business Services attends conferences and trade shows supported by Small, Minority and Women-owned businesses in order to explain the University's bidding process. Ordering departments are also encouraged to be aware of this commitment by Kean University and they are encouraged to utilize these suppliers when available.

BIDDING PROCEDURES

University Procurement and Business Services maintains a list of qualified suppliers in most commodity areas and is responsible for selecting suppliers. User departments also may recommend suppliers; however, University Purchasing has the final authority to select the supplier for any purchase.

Pre-bid conferences or mandatory site-inspections may be conducted when it is apparent that because of the complexity of the request for goods or services, additional clarification is needed by suppliers.

GUIDELINES FOR COMPETITIVE BIDDING

University Procurement and Business Services will determine when competitive bids for goods or services are required by estimating the value of the request and by reviewing the specifications and delivery requirements. The guidelines are as follows:

Bidding Thresholds

Level 1. Under \$6,800.00 – Documentation of competitive bids or quotes is **not required**. University staff must use good judgment to ensure that the best value is obtained on all purchases, price and other factors considered.

Level 2. From \$6,800.00 but less than \$34,400.00 – Three (3) **written** quotes are required. The quotes must be obtained by the requisitioning Department and submitted to University Procurement and Business Services using the **Competitive Quote Form** referenced below.

Level 3. From \$34,400.00 or above – A public **advertised bid** must be issued by University Procurement and Business Services.

Price Quote Documentation

The [Competitive Quote Form](#) must be completed to record written competitive quotes for purchases with a value of \$6,800.00 - \$34,399.99 (Level 2 purchases). All written quotes must be attached to the Competitive Quote Form upon submission. University Procurement and Business Services will maintain the files and provide the documentation when requested during audits.

Bidding Exceptions

Bidding requirements will be satisfied if the purchase is made through an existing contract established as a result of a public advertised bid issued by any of the following: The State of New Jersey Division of Purchase and Property, any municipality or county in the State of New Jersey, any State of New Jersey public college or university, the Federal Supply Schedule of the General Services Administration (GSA), or a nationally recognized purchasing cooperative lead by a government agency.

University Procurement and Business Services may waive the competitive quote requirement for Level 2 purchases if the collection of bids is impractical, or if there is an emergency situation that effects the safety, health or well-being of the University community. In such cases, please submit a detailed explanation to University Procurement and Business Services with your requisition. Furthermore, obtaining verbal and written quotes may be deemed impractical for purchases such as memberships, subscriptions, speakers, performers or other sole source items. In such cases, please complete a [Sole](#)

[Source Justification form](#) and submit to University Procurement and Business Services with your requisition.

Bid waivers for Level 3 purchases with a value of \$34,400.00 or above require authorization by the Board of Trustees. All requests for waiver of public advertising and bidding must be approved by the Office of University Counsel. Please complete a [Request for Waiver of Public Advertising and Bidding form](#) and submit to the Office of University Counsel at least thirty (30) days prior to the Board of Trustees meeting.

Due Diligence – While formal bidding is not required for a bid exception or a waiver, University staff are reminded that due diligence is necessary to ensure that the University obtains the lowest optimal cost, price and other factors considered. Please also consider the University's goal of utilizing small, minority, or women-owned businesses as part of the University's commitment to regional economic development.

Requisition Processing

University Procurement and Business Services will review all requisitions for compliance with State of New Jersey and University procurement policy. In addition to validating quotations obtained, University Procurement and Business Services must also ensure that vendors provide the following certification and registration documentation required by the State of New Jersey:

Vendors who reach a dollar threshold of \$5,160.00 and above – University Procurement and Business Services must have a copy of the vendor's Business Registration Certificate ("BRC") as issued by the New Jersey Division of Revenue. Requisitions will not be approved until the BRC is received. The threshold is the cumulative value of all purchase orders issued to an individual or company, in a given fiscal year.

At \$17,500 and above – The vendor must comply with:

1. Public Law 2005, Chapter 51 (formally Executive Order 134, Pay to Play), Public Law 2005, Chapter 271 and Executive Order 117; and
2. Equal Employment Opportunity N.J.S.A. 10:5-31 and N.J.A.C. 17:27.

University Procurement and Business Services will handle distribution of the required documents to the vendor.

PLEASE NOTE: The threshold is the cumulative value of all purchase orders issued to an individual or company, in a given fiscal year.

[Request for Waiver of Public Advertising and Bidding form](#)

A RESPONSIBLE BIDDER IS DEFINED AS:

A. A manufacturer, producer, or dealer, or a bona fide manufacturer's agent, regularly employed on a salary or commission basis by one or more manufacturers.

B. One who has demonstrated sound judgment and integrity; showing a record of satisfactory performance and a financial status that will not present a risk to the University in its contractual relations.

If the Assistant Vice President of University Procurement and Business Services concludes that a bidder lacks the ability to ensure adequate performance, their bid may be rejected even though it is the lowest bid.

Kean University retains the right to reject bids when costs are over budget, when bids do not meet specifications, or when it is in the best interest of the University to do so.

UNSATISFACTORY SUPPLIER PERFORMANCE

A. The goal of University Procurement and Business Services is to award contracts to responsible bidders who meet all bid specifications.

B. Unsatisfactory supplier performance must be described in writing and forwarded immediately to the director of University Procurement and Business Services.

C. Suppliers that fail to perform to an acceptable level will be removed from the bidder's list.

D. The final authority for supplier removal from the University bidder's list remains with the Associate Vice President for Administration and Finance.

UNAUTHORIZED PURCHASES

Placing a purchase order with an outside supplier without General Accounting approval and a university purchase order constitutes an unauthorized purchase. Payment to the supplier may be refused for unauthorized confirming requisitions. Repeated violations involving unauthorized purchases

by the same department will be referred to the Assistant Vice President of University Procurement and Business Services for resolution.

Purchases made with personal funds on behalf of the university are against university policy. Reimbursement to the individual may be denied or in cases where the goods or services could be purchased at a lower price, reimbursement may be limited to the lesser amount. Kean University is a tax-exempt institution; therefore, sales tax paid with personal funds will not be reimbursed.