

Viterbo University Procurement Policy

Philosophy

The following guidelines have been established to ensure fairness, efficiency, and effectiveness of procurement activities associated with the operations of Viterbo University. Viterbo University procurements should be conducted in support of the mission and goals of the University in a manner that ensures free and open competition to the maximum extent practical, and that goods and services provide the best value for the expenditure of University resources.

Organization

Viterbo University has a decentralized procurement system in which the University's Business Office assists all authorized budget managers in overseeing purchases for the University. Certain procurements, however, are the responsibility of specific University units (e.g. Construction, Physical Plant, Copy Center). For other procurements, each departmental budget officer is responsible for the procurement process, but may delegate to one or more employees management of the day to day procurement responsibility.

All Viterbo University materials and services shall be purchased at a price no higher than others could obtain for like products or services of similar quality and in similar quantities. Any Viterbo University employee or representative participating in a procurement process shall: (a) purchase materials and services at the "best value" or lowest total cost, which takes into account not only purchase price, but also compliance with technical or functional specifications, product availability, ordering and invoicing processes, service standards, accounting compliance and regulatory requirements; (b) be responsible for the review, evaluation, and documentation of each element of total cost; and (c) be able to justify the economic, research, and/or educational need for the procurement decision. Viterbo University employees or representatives shall not purchase goods or services from any entity in which the employees or representatives, or their family members, own a significant direct or indirect financial interest, unless the employees or representatives have disclosed those interests on the University's Conflict of Interest Disclosure Form and the University Administration has approved the purchase.

Purchase Orders

Purchase Order forms are to be used for all University purchases, including orders for supplies, equipment, rentals, etc. Check Request forms are used for travel advances, travel reimbursements, stipends, or any item for which a check is required at time of purchase.

Purchase Order/Check Request forms can be obtained in the Business Office. You must check either the "PURCHASE ORDER" or "CHECK REQUEST" box so the Business Office is able to properly process the request.

1. All requests on these forms should contain the appropriate general ledger budget account number, the signature of the responsible budget officer, the name and address of the vendor, item(s) purchased, part number, and cost. For payments made to an individual,

the individual's social security number must also be included to facilitate tax reporting. A notation should also be included on the Purchase Order/Check Request in the "Special Instructions For Business Office" section if special handling is desired.

- a. If the requisitioner wishes to pick up the ordered item personally, he/she should indicate that the purchase order should be returned to him/her.
- b. If a check must be enclosed with the order, this fact should be noted.
2. Completed Purchase Orders/Check Requests should be sent to the Business Office.
3. A copy of the approved Purchase Order is sent back to the department. This copy should be verified to determine that the order has been placed as submitted, and should be retained until the order has been completed and invoiced. If the order has not been received within a specific time, you should contact the vendor.
4. All orders received via mail, UPS carrier or vendor's truck are checked by the Copy Center and delivered to the appropriate departments.
5. If there is a problem with the order—parts missing or incorrect items sent—please report this to the vendor.
6. After the vendor invoice is received in the Business Office, it is sent to the budget officer for payment approval. The invoice should be approved as stamped (date order received, approved with your signature, and general ledger budget account number). Payment should be approved and invoices returned to the Business Office as soon as possible, so that service charges are not added to the bill. If the order does not arrive in satisfactory condition or the price is questioned, do not approve the invoice until the issue is resolved.

Purchase Orders and invoices are processed on a daily basis. Checks are written once a week on Wednesdays morning, for all Check Requests and approved invoices that are provided to the Business Office prior to 4:00 p.m. on Mondays.

Please note

Viterbo University is not responsible for any charges incurred without an approved Viterbo University purchase order. Suppliers may be instructed to invoice the person placing any authorized order.

Corporate Credit Cards

Generally, corporate credit cards are issued to Vice Presidents, Deans, and employees that travel for University business. See Corporate Credit Card Policy/Procedures for more details.

Procurements

The competitive procurement of goods and services is the preferred method of procurement. There are, however, instances in which competitive procurement may not be required.

Emergency Procurements

To ensure the operations of essential services during non-business hours, authorized budget managers may proceed with necessary expenditures to maintain or restore essential services to the University without seeking a purchase order prior to a

commitment to a vendor. The Budget Manager should make all reasonable attempts to obtain a purchase price that is competitive in the open market and that meets standard technical specifications generally acceptable in the applicable field. At the next reasonable opportunity, the Budget Manager should submit the standard paperwork for approval explaining the emergency and related essential services that precluded the use of the normal purchasing procedures.

Sole Source Procurements

Purchases of \$5,000 or more may be made, without a competitive process, with the prior written approval of the appropriate Budget Manager, when there is a single viable source of the good or services (a guest lecturer), compatibility with existing equipment or processes, or similar circumstances. Written documentation should be maintained in the department's procurement files providing the justification for the sole source selection.

Competitive Procurements

Purchases less than \$5,000

The purchase of goods and/or services (other than capital goods) from a single vendor for a single project or event which, cumulatively, amount to less than \$5,000 do not require comparative quotes from multiple vendors. Securing a price comparison, however, is strongly encouraged when beneficial to the University. The authorized Budget Manager can approve such purchases to the extent they are routine and they can be funded by the department's remaining operating budget.

Purchases in excess of \$5,000 but less than \$25,000

The purchase of goods and/or services (other than capital goods) from a single vendor for a single project or event which, cumulatively, amount to \$5,000 or more but less than \$25,000 generally requires obtaining comparative quotes or pricing, written or verbal, from at least two vendors, if multiple sources of pricing are available. If pricing from more than two vendors is not readily available, additional comparisons should be sought, if reasonable.

Purchases of \$25,000 or more

The purchase of goods and/or services (other than capital goods) from a single vendor or for a single project or event which, cumulatively, amount to \$25,000 require an official request for proposal/bid process prior to making a commitment to a vendor. As in the case of purchases under \$25,000, if pricing from two vendors is not feasible or if goods or services is only available from a single source because it is unique, product/service compatibility with existing equipment or processes, or similar circumstance, the procurement file should include a written statement why competitive quotes were not solicited.

Capital Purchases

Purchases of capital goods and services follow the same guidelines as non-capital goods; however, a Viterbo University requisition must be properly completed and authorized before the purchase is made. See Competitive Bid Selection Policy for

construction/renovation design firm, qualified contractor, and material purchase requirements.

Procurements using Federal Funds

Procurement of all supplies, materials, equipment and services paid for from Federal funds including any University matching funds shall be made in accordance with USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and federally-funded programs. The University shall maintain a system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted in this section, procurement transactions shall conform to provides in this procurement policy.

All University employees who have purchasing authority shall abide by standards of conduct covering conflicts of interest as specified in this procurement policy.

The University will avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or separating procurements to obtain a more economical purchase. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgment. In order to promote objective contractor performance and eliminated unfair competitive advantage, the University shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to:

- a. Unreasonable requirements on firms in order for them to qualify to do business
- b. Unnecessary experience and excessive bonding requirements
- c. Noncompetitive contracts to consultants that are on retainer contracts
- d. Organizational conflicts of interest
- e. Specification of only a “brand name” product instead of allowing for an “or equal” product to be offered and describing the performance or other relevant requirements of the procurement
- f. Any arbitrary action in the procurement process

Further, the University does not use administratively imposed geographical preferences in the evaluation of bids or proposals unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference, or (2) the University is contracting for architectural, engineering, or construction services,

in which case geographic location may be a selection criterion provided its application provides an adequate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent the University uses a pre-qualified list of persons, firms, or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition.

Solicitation Language

The University shall require that all solicitations incorporate a clear and accurate description of the requirements for the material, product, or service to be procured, and that description shall not contain features which unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description, a “brand name or equivalent” description may be used as means of defining the performance or salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

Procurement Methods

The University shall use the following methods of procurement:

- a. Micro-purchases
Procurement for micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the federal micro-purchase threshold. To the extent practicable, the University shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive bids if the University considers the price to be reasonable.
- b. Small purchases
Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property that does not exceed \$25,000. These procedures generally require obtaining comparative quotes or pricing, written or verbal, from at least two vendors, if multiple sources of pricing are available.
- c. Sealed bids
Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to \$25,000 and when the University determines to build, repair, enlarge, improve, or demolish a campus building/facility the costs of which will exceed \$150,000.

In order for sealed bidding to be feasible, the following conditions shall be present:

- i. a complete, adequate and realistic specification or purchase description is available
- ii. two (2) or more responsible bidders are willing and able to compete effectively for the business, and
- iii. the procurement lends itself to a firm fixed contract and/or a time and materials contract that includes a ceiling price, and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used:

- i. bids shall be solicited from three (3) qualified suppliers, providing sufficient response time prior to the date set for opening of bids.
- ii. the invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
- iii. all bids will be opened at the time and place prescribed
- iv. the University reserves the right to reject any and all bids for sound reasons
- v. non-competitive proposals—procurement by noncompetitive proposals allows for a solicitation of a proposal from only one (1) source and may be used when one or more of the following circumstances apply:
 - A. the item is available only from a single source
 - B. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
 - C. the Federal awarding agency expressly authorizes noncompetitive proposals
 - D. after solicitation from a number of sources, competition is determined to be inadequate

The University will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Purchases made using federal grant funds must be vetted to determine if a vendor has been suspended or debarred. Any vendor suspended or debarred may not be used under any circumstances.

Procurement Approvals

The University requires each purchase be approved by the appropriate authority level. This policy applies to all employees who initiate or approve a purchase for the University.

Purchases of non-capital goods—Departmental Budget Manager. Purchases of Capital Goods—Departmental Budget Manager, Assistant Vice President of Finance or Vice President of Finance and Administration.

Information Privacy

As a privately-operated institution, Viterbo University is not required to publish publicly or announce any vendor pricing or information, or the results of a competitive bidding process. Employees are asked to keep all specific information relative to University procurement activities confidential.

Discounts

Discounts to the University are to be utilized whenever available and should be considered in the final pricing of a vendor. All University employees should inquire about discounts even if such discounts are not advertised.

Tax Exempt Organization

Viterbo University is a tax exempt organization in the State of Wisconsin. Employees will not be reimbursed for business related sales tax expense incurred within the State of Wisconsin. A copy of the University's State of Wisconsin tax exempt certificate, is available from the Business Office and at <http://www.viterbo.edu/business-office/forms> .

Unauthorized Procurements

Employees who make unauthorized commitments to vendors may be subject to disciplinary actions including but not limited to reimbursement to the University, suspension and/or termination.

Conflict of Interest

Employees must avoid actual or apparent conflicts of interest, defined as using their position at the University for personal or financial gain, accepting employment or payment from a customer or vendor, accepting gifts other than those of nominal value, and/or requesting personal favors, discounts, or services. See Conflict of Interest and Annual Disclosure Policy for requirements for members of the Board of Trustees and senior management.

Donations or Gifts

As a non-profit organization, Viterbo University does not give donations or gifts to other organizations or individuals. The University may provide financial resources to organizations that provide services to the University on a voluntary basis if deemed vital to the operation of the University and approved by the President. Additionally, clubs of the University may designate donations on behalf of their fund raising efforts to support other non-profit organizations.

Improper Procurement Activities

Employees who believe that a University vendor or a vendor's employee has acted in an unethical manner should report such activity to the Vice President of Finance and Administration. Individuals, including vendors and University employees, who view the

procurement activities of any University employee to be unethical or contrary to University policies, should report such activities to the Vice President of Finance and Administration. University employees who have been asked by a supervisor or fellow employee to conduct procurement activities deemed unethical or contrary to University policies should report such activities to the Vice President of Finance and Administration. No employee should experience any retaliation by his or her supervisor or by any other employee at the University for contributing information about improper procurement activities.

Payment Distribution

Checks will generally be mailed via campus mail on the Wednesday following the week your request is received. However, due to the volume of requests, this one-week turnaround is not automatically guaranteed. Please allow the Business Office staff as much lead time as possible.

If you have a check request that is time critical, please contact Accounts Payable directly regarding the request. All checks to outside vendors are mailed directly from the Business Office, unless there is a genuine need for special handling. This is done to facilitate tracking payments and responding to vendor inquiries. Reimbursement checks to employees are mailed on Wednesday via campus mail. Student reimbursement checks are mailed unless otherwise directed. The process as indicated above is necessary in order to maintain the integrity of our accounting system and allow us to maintain a reasonable workflow.

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