

COLORADO STATE UNIVERSITY - PUEBLO

PURCHASING MANUAL

I. PURPOSE

The purpose of this Purchasing Manual is to describe the policies and procedures used to obtain goods and services for Colorado State University-Pueblo. Additional training in specific areas may be required in order to fully utilize the University's procurement systems. Focused training for a department or college staff is available from Procurement Services (PS) upon request by a Department Head, Director or Dean.

II. SCOPE

- A. Goods and Services may be obtained through interdepartmental charges, commercial source purchases, contracts, leases, etc., or surplus property reassignments.
- B. Centralized or decentralized methods of purchasing equipment, materials and services are authorized. The dollar value, type of vendor and nature of the purchase determines the method.

III. AUTHORITY

- A. The Colorado State University- Pueblo Procurement Rules define all requirements for acquiring goods and services for the University. In addition, the University is required to comply with all State of Colorado and federal rules and regulations. It is the responsibility of every Colorado State University-Pueblo employee involved in the procure-to-pay process to understand and comply with all applicable rules and regulations. Compliance guidance is contained within this Manual and other published University resources from Procurement Services through training and guidance.

IV. POLICIES

- A. Every commitment made by the University for goods or services exceeding \$5000 must be made with an approved commitment voucher (purchase order or contract) following made with an approved commitment voucher (purchase order or state contract) following Colorado State University-Pueblo Procurement Rules, University Fiscal Rules, procedures outlined in this manual and other rules and regulations as referenced. Colorado Revised Statutes 24-30-202(3) states: "No person shall incur or order ... any obligation against the state in excess of or for any expenditure not authorized by appropriation and **approved commitment voucher....** Any such obligation so raised ... shall **not be binding against the state** but shall be **null and void ab initio** [from the beginning] and **incapable of ratification** by any administrative authority of the state... But every person incurring or ordering or voting for the incurrence of such obligation and his surety shall be **jointly and severally liable therefor.**"

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Any individual ordering goods or services without following policies and procedures prescribed in this manual may be personally liable as stated above. Commitments less than \$5,000 may be made using informal, but reasonable methods of documentation such as a receipt, invoice or other document identifying the transaction, method of payment and amount. Purchases using University funds cannot be made on the basis of verbal commitments, regardless of amount.

- B. Purchases funded from all sources are to comply with all State and University purchasing policies and procedures.
- C. An emergency is defined by CSU-Pueblo Procurement Rule V.C.2 and University Fiscal Rule, section 2.6 as “an unexpected event creating an immediate threat to the public health, welfare, or safety, the functioning of government, or the preservation or protection of property, which requires an immediate response. By rule, all emergency purchases must be approved by the Director of Procurement Services, or a delegated University official, prior to making the commitment. In the event an emergency arises after normal working hours, delegated University officials are authorized to make emergency purchases, but are required to notify the Director of Procurement Services the next working day. Emergency Procurements do not include those procurements that need to be rushed because of an avoidable failure to plan ahead, the end of the fiscal year or the end of a grant/contract procurement.
- D. Goods and services generally will be charged against fund accounts for the fiscal year in which they are received. Orders for goods and services which cannot be received in the year ordered may be canceled or automatically charged against fund accounts of the next fiscal year. Charges for purchases received over a period of two or more fiscal years will be prorated to each fiscal year based on the percent of the total received during each fiscal year unless otherwise specified in the contract. Obtain prior approval from the University Controller if purchases are to be paid from accounts other than current year fund accounts. A multi-year contract, under which the University commits to paying any amounts in future years, must be approved in advance and must contain certain required provisions regarding availability of appropriations and funding for future years.
- E. Before purchasing, consider using available surplus government or University property. Also consider borrowing or transferring available material or equipment from low priority uses, or using acceptable but less expensive substitutes. The University’s Surplus Property department can assist you with finding acceptable surplus equipment, furniture or goods.
- F. State law prohibits the University from making purchases for resale to employees or permitting personal purchases using University facilities, property or funds. Exceptions to the rule against resale items include the CSU-Pueblo Bookstore, which is authorized to retail select items. There are no exceptions to the rule against using CSU-Pueblo funds to make personal purchases or to obtain a personal financial gain. Use of a University-issued credit card (PCARD) to purchase

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goods or services for personal use is prohibited, just as for any other payment method, and may result in revocation of the card and purchasing privileges as well as civil and criminal penalties.

V. RESPONSIBILITIES

- A. The University Procurement Services Office has been established as a service organization to provide faculty and staff the most economical, timely and effective way of acquiring goods and services. Major responsibilities include the following:
1. Ensure compliance with state, federal and University rules and regulations and follow established purchasing best practices.
 2. Obtain suitable goods and services for the best price and quality.
 3. Review purchases made by P-CARD, CR, or Intra-Departmental Vouchers to prevent abuse or noncompliance of purchasing policies and procedures.
 4. Research new products, markets, vendors and resources, including cooperative or group purchasing organizations (GPOs), state and federal price contracts, and strategic sourcing opportunities.
 5. Assure adequate sources of supply and seek new sources of supply to increase availability and quality at advantageous prices.
 6. Accelerate delivery of goods, follow up on delinquent shipments and take action on damaged or incorrect shipments.
 7. Provide information, assistance and guidance on the description, suitability, cost, quality, standardization and substitution of a product or service.
 8. Assist in ensuring effective uses of University owned goods/materials by assisting in the reassignment of surplus items.
 9. Assist in the transfer, trade-in or disposal of surplus property as may be requested by CSU-Pueblo's Surplus Property personnel.
 10. Perform any other responsibility in relation to acquiring goods and services and the sale or licensing of certain University goods and services to others, as directed by the Vice President of Finance and Administration or Chief of Staff.
 11. Administer and monitor the University Procurement Card (P-CARD) program.

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B. Deans, Directors and Department Heads are required to keep control acquisitions of equipment, materials and services to the reasonable and necessary requirements of the University for official business purposes, to limit and consolidate requests for these items, to authorize funds and make funds available, and to ensure that procedures and documents prescribed in this manual are followed for all purchases.

C. All University organizations are required to comply with state, federal and University policies and procedures and are required to ensure full documentation and adequate control. Due to unique operating requirements, the Library, Bookstore, Food Services, and Conference Services, have their own special responsibilities and procedures.

The above departments shall obtain equipment, maintenance/service contracts and administrative supplies through Procurement Services.

D. The Director of Procurement has overall responsibility for prescribing and monitoring compliance with State, Federal and University requirements for the procurement of goods and services. Any authority or responsibility relating to purchasing which is not specifically designated in these or other instructions is reserved by the Director of Procurement Services or authorized higher officials.

E. Departments should ship and receive all materials through the University Central Receiving Department whenever practical. If emergencies, size or location of item, etc., make central processing impractical the department should coordinate with the Central Receiving Department prior to ordering to determine method of shipment, necessary paperwork, etc.

VI. CONFLICT OF INTEREST

A. **Definition.** A conflict of interest is a situation in which a University employee or member(s) of his/her family has, or appears to have, a personal or private interest in a University purchasing action in which the employee participates, directly or indirectly. Conflicts of interest include those in which an employee or employee's family member acts as a seller, a broker, or the agent of a seller or broker, or takes any action in his or her official capacity to direct University business to a person or entity with whom the employee has a financial relationship.

B. **Employee Responsibility.** Any person initiating a procurement who is aware of a conflict of interest, or a potential conflict of interest with respect to the transaction is required to report the same to the Purchasing Agent when submitting the RQ, or in the case of the PCARD transaction, before initiating that transaction. See Section 2.7.1.1. of the Faculty Handbook or the paragraph on Conflict of Interest in the State Classified Personnel Handbook.

C. **Selection Committee.** As a member of a selection committee for a Request for Proposal

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(RFP), the member and his/her committee will be asked for a statement regarding conflict of interest/confidentiality.

- D. Sole Source Procurements. Sole source justification letters must have a statement addressing conflict of interest that indicates the requestor has no actual or potential conflict of interest regarding the purchase, or, if a COI is identified, an approved management plan must also be submitted.

VII. PROHIBITION AGAINST ACCEPTING KICKBACKS OR IMPROPER GIFTS OR FEES.

- A. The Anti-Kickback Act of 1986 makes it illegal for any person to provide, attempt or offer to provide, solicit, accept, or attempt to accept any kickback in connection with any contract or subcontract with any department or agency of the federal government. "Kickback" includes any fee, commission, credit, gift or anything of value which is provided, directly or indirectly, to the University or any of its departments, divisions or employees in order to improperly obtain or reward favorable treatment in connection with any federal government contract.
- B. Amendment 41 to the Colorado constitution was passed by ballot initiative in 2006. It placed new restrictions on gifts given to Colorado public officials, government employees, and their immediate family members. Such persons are prohibited from receiving gifts with an aggregate value exceeding \$50. Gifts from lobbyists are banned regardless of amount. An exception is made for gifts given between personal friends and relatives on special occasions. Accepting any gift in connection with any procurement or contract action of the University may be a violation of Colorado law under the provisions of Amendment 41 and other state laws, and may result in employment disciplinary action and civil and criminal penalties.
- C. All parties involved in the negotiation, performance, or administration of University contracts are bound to act in good faith. Any person employed by the University who purchases goods and services, or is involved in the procurement process for the University, shall be held to the highest degree of trust and shall be bound to the Colorado State University-Pueblo Procurement Code of Ethics. Implied duties of good faith and fair dealing shall be deemed to be contained in every contract and agreement of the University and shall apply to both parties.
- D. Employees of Colorado State University-Pueblo shall comply fully with these requirements. Report possible violations of these requirements to the immediate supervisor of the employee allegedly in violation or to the Internal Auditing Department at the University.

VIII. PURCHASING SOURCES

- A. Services from employee or independent contractor. Required personal services may often be secured from either an employee or an independent contractor. Careful distinction must be made

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between work, which should be done by an employee on the University payroll and contracted services provided by an individuals or firms on an independent basis. It is important that departments requiring a personal service recognize the differences in classification, relationships and use of employees and independent contractors. In general, the University is prohibited from acquiring by independent contract, those services which would otherwise be provided by state classified personnel, except under certain circumstances defined by statutes and regulations. Refer to Independent Contractors, Section 7 of this manual.

- B. Goods and services from University departments. Goods and services may be obtained from University departments when available. Goods available include bookstore items, chemicals, glassware, tax-free alcohol for research, certain hazardous materials, facilities maintenance supplies, etc. Services available include, facilities maintenance services, visual aids, motor pool, computer services, etc.
- C. Goods and services from University employees. Employees of the University or of the State of Colorado should not contract to supply goods or services to the University unless a Conflict of Interest disclosure form has been filed, and the transaction has been approved by the Vice President for Finance and Administration.
- D. Goods and services from commercial vendors. The University purchases most goods and services from commercial vendors. The University strictly adheres to its Procurement Rules and procedures outlined in this Purchasing Manual.

IX. PROCEDURES FOR OBTAINING EQUIPMENT, MATERIALS AND SERVICES

- A. General. The University provides several methods to purchase goods and services. In most cases, a single form may be needed to grant a purchase request, authorize the fund account number, charge the department and pay the vendor.

Generally, departments are authorized to make purchases less than \$5,000 from vendors and all interdepartmental purchases to save time and paperwork. Procurement Services makes larger purchases, more than \$5,000, to provide professional assistance; and to review and secure the best price including competitive solicitations.

The dollar value of the purchase, type of goods or services required, and type of supplier generally determines the method and solicitation and documentation to be used when obtaining goods and services. When appropriate, petty cash, IDV's, GN Purchase Orders, Open Purchase Orders and/or a contract may be used to obtain goods and services.

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B. Purchases from local and non-local vendors.

1. Small Dollar Purchases – Purchases totaling \$5,000 or less. The University has developed mechanisms for the purchase of most goods and services totaling \$5,000 or less and not requiring an authorized commitment document (purchase order or contract). When acquiring personal services (labor, time or effort), it is the ordering department's responsibility to request and obtain an insurance certificate from the vendor showing general liability, worker's compensation, employer's liability, and auto liability coverages (see the Procurement Services website for instructions and coverage amounts).

Small-Dollar purchases are defined as follows: Small dollar purchases are those purchases where it is NOT anticipated that future (in the fiscal year) purchases of like or similar goods or services will be needed, OR if it is anticipated, that any future recurring (in the fiscal year) purchases will remain small, cumulatively \$5,000 or less. The reasoning behind this rule is that small transactions that are recurring can add up to large purchases and would be subject to competitive bidding in order to comply with procurement and fiscal rules and to assure maximum value to the University.

- a. \$100 or less. Petty cash may be used for purchases \$100 or less, if the department has an authorized petty cash fund as outlined by Financial Services. If petty cash is not available, use the PCARD as stated below.
 - b. PURCHASE REQUISITION (PR) – GN PURCHASE ORDER - \$5,000 or more. Use a Purchase Requisition (PR) through Procurement Services for purchases more than \$5,000. NOTE: GN Purchase Order can also be used for purchases less than \$3,000 where P-CARD is not accepted.
 - c. PCARD - \$3,000 or less. The University Procurement Card (PCARD) may be used for purchases totaling \$3,000 or less (unless a higher amount, up to \$5,000 has been approved for the Cardholder by Procurement Services). The PCARD may be used for services from a local or non-local vendor when the contractor does not require a contract to be signed by the University. All transactions for services **MUST** be reallocated to a proper 802 or 809 object code.
 - d. CHECK REQUEST. Use a Check Request for purchases where standard industry requires payment. (ex.) dues, membership fees, subscriptions, etc.
2. Purchases of Goods totaling more than \$5,000. Submit an approved Purchase Requisition (PR) to Procurement Services for purchase of goods totaling more than \$5,000.

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3. Purchase of services totaling more than \$5,000. Submit an approved Purchase Requisition (PR) to Procurement Services for purchase of services totaling more than \$5,000.

C. Goods and services from University departments. Use an Intra-Departmental Voucher (IDV) to request, authorize and pay for goods and services from University departments. There is no requirement to seek competition for such purchases from external vendors, and in some cases, it may be required that a waiver be obtained before obtaining goods and services from vendors rather than the University itself.

X. SPECIAL ACQUISITIONS

A. Leases and rentals of equipment. Coordinate lease and rental equipment with Procurement Services, which negotiates and signs all lease and rental agreements. Copies of signed agreements should be retained in both Procurement Services and department files.

B. Maintenance Agreements. Request a Maintenance Agreement (contract) for equipment and software through Procurement Services.

C. Contracts. Coordinate all contracts with General Counsel.

D. Consignments. Coordinate consignment of goods or equipment with Procurement Services before completing final arrangements with the vendor, even if consignment is on a trial basis and at no charge to the University.

E. Purchase of tax-free alcohol. Alcohol, 190 proof or absolute may be obtained through Procurement Services for authorized University requirements. Present an "affidavit for use of tax free alcohol" and Intra-Departmental Voucher (IDV) to Central Receiving to pick up the alcohol.

F. Purchase of controlled drugs. Purchase Requisitions for narcotics and drugs, under the Controlled Substances Act of 1970 (U.S. Congress) shall be approved by the University Environmental Health Department prior to making the purchase. **The PCARD or CR shall not be used for the purchase of controlled drugs.**

G. Purchase of surplus property. Federal and State surplus property is available to the University through Surplus Property and federal agencies. Departments may acquire surplus property at no charge or at a small service charge. (Contact Materials Handling Supervisor for more information).

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- H. Purchase of subscriptions. Magazine and newspaper subscriptions (excluding library subscriptions) may be purchased on the PCARD within established dollar limits or a Purchase Order if the purchase exceeds the PCARD limits.
- I. Purchase of classroom books. Coordinate the purchase of classroom books through the University Bookstore
- J. Purchase of all other books. Purchase all other books on the PCARD within established limits or a Purchase Order if the purchase exceeds the PCARD limits.
- K. Radioactive Isotopes. Purchase Requisitions for radioactive chemicals must be approved by the Director of Environmental and Safety Office before Procurement Services can process the Purchase Order.
- L. Printing and publication. Consult with the Public Relations Department for advice on the printing and publication of books, manuals, forms, etc., to determine whether to use Colorado State University-Pueblo Print Shop or outside vendors. If an outside vendor is recommended, use a Purchase Requisition-GN Purchase Order and send it to the Procurement Services for processing.
- M. Publishing of articles (page charges) and reprints. Use PCARD within established dollar amounts, or a Purchase Order if the purchase exceeds the PCARD limits.

XI. PURCHASING STATUS INFORMATION

Methods for determining the status of purchasing documents after they have been initiated can be reviewed through the AIS general ledger.