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R. Purchasing and Financial Obligations

1. Purpose.

1.1 Policies. This statement sets forth the policies applicable to the purchase of goods and services with funds administered by the University; and other contractual arrangements involving the University in financial obligations of any kind.

1.2 Establishment of Regulations. The Administration shall establish regulations and procedures governing purchasing and other financial obligations consistent with Board policies, applicable laws and regulations, and sound and equitable business and accounting practices. All financial transactions are subject to Board policies regarding conflict of interest.

2. Financial Commitments.

2.1 Advance Approval Required. University purchases and other agreements shall be approved in advance. Any purchase or obligation requiring an expenditure of \$50,000 or more must be approved by the Board in advance of incurring the obligation. Approval of all other financial obligations shall be by signature of the President, the Vice President for Administration and Treasurer (VPAT), or VPAT designee.

2.2 Exceptions. The Board recognizes it is in the best interests of the University to make exceptions to the above policy; therefore, the Administration is authorized to make the following types of transactions.

2.2.1 Payments for utilities services and purchases of products for the purpose of re-selling in one of the two University retail sales departments, Bookstore or Dining Services, may be made without prior Board approval even when the amount exceeds \$50,000.

2.2.2 Certain financial transactions, such as procurement card or small dollar purchases, may be made without advance approval through a purchase order or other contract form. The VPAT shall maintain a system to accomplish such transactions. The system shall limit the types and the dollar amount of the transactions.

3. Competitive Bidding.

3.1 Requirement Limit. Any purchase reasonably expected to be \$10,000 or more shall be competitively bid. This requirement may be waived by the VPAT or VPAT designee when:

- There is an unforeseen and immediate need;
- There is an emergency need;
- There is only one known source for the purchase;
- The vendor's product or service has a current contract price with the State of Kansas; or,
- The price of product or service from the vendor was competitively bid by an educationally related organization of which the University is a member.

3.2 Additional Requirement. The VPAT or VPAT designee shall have authority to require competitive bids for purchases of less than \$10,000.

3.3 Contract Award. Any contract awarded will be to a responsible vendor who submits the best, qualified, and responsive bid and/or proposal as determined by the University. In the event that the qualified responsive bids are comparable, the University shall give preference to business with a physical place of business in Shawnee County, Kansas. Conformity with specifications, terms of delivery, and other related conditions will be taken into consideration.

3.4 Right to Reject. The University shall maintain the right to reject any and all bids.

4. Vendor Grievance.

4.1 Appeal Process. The University shall have in effect a formal procedure for a vendor to raise a grievance with the University concerning a bid solicitation or award. The procedure shall include a process of appeal to the VPAT when the vendor believes the decision is arbitrary and capricious, or not supported by the evidence.

4.2 Vice President's Decision Final. The decision of the VPAT shall be final and the vendor shall be deemed to have exhausted its administrative remedies.

5. Employee or Individual Restriction. Purchases by the University for Employees or other individuals for personal or private use are prohibited.

6. Employee Responsibility. Each Employee is responsible for following University policies, regulations, and procedures. Failure to do so shall subject the Employee to disciplinary action.

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