

University System of New Hampshire
Financial and Administrative Procedures

Title: PURCHASING POLICY

Procedure: 6001

Issued By: USNH Chief Procurement Officer

Approved By: USNH Chief Financial Officer

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A. SUMMARY OF ADMINISTRATIVE POLICY

1. All purchases from and sales to external parties will be in accordance with the Purchasing Policies of the University System of New Hampshire (USNH). The policy below covers all purchases except real estate, investments and insurance.
2. Purchases are the administrative responsibility of USNH's Vice Chancellor for Finance and Administration/Treasurer (VCFA). Under his/her direction all purchases will be made for USNH in accordance with applicable federal and state statutes.
3. USNH Procurement Services will strive to deliver the highest quality of goods and services at the best value when and where needed, through the thoughtful application of:
 - a. Strategic Sourcing
 - b. Procurement Operations
 - c. Contract Management

5. Purchases not previously budgeted which may substantially affect the flow of USNH purchases which require contracts in a format other than normal purchase orders or contracts and purchases to be made on a "time" basis (payment over more than one fiscal year) or with a charge for interest require prior approval by USNH or his/her designee.

B. DETAILED POLICY

1. Delegation of Authority

- a. The Board of Trustees, through the bylaws of USNH authorized the USNH VCFA who is also the Treasurer to execute all contracts, leases, grants, deeds, negotiable instruments and other legal documents on behalf of USNH and its component institutions. This authorization includes the authority to oversee/administer the purchasing of all goods and services USNH. The purchase of goods and services USNHs delegated by the USNH/VCFA to the USNH Chief Procurement Officer, (referred to hereafter as the CPO) is responsible for the operation of the USNH Procurement Services Office. Under stipulated conditions the CPO may delegate responsibilities, in part or in whole, to designated agents. To be valid, delegations must be in writing and on file with the CPO. Said designated agents may not further delegate these responsibilities or authority.
- b. The USNH/VCFA, the CPO and his/her designated "agents" are the official USNH contact for its suppliers and are the only individuals authorized to execute purchasing agreements on behalf of USNH and its component institutions.

2. Applicability

- a. USNH Purchasing procedures and the authority to purchase are applicable to all transactions regardless of source of funds.
- b. The Chief Financial Officer of each individual campus may institute more stringent procurement requirements. In some cases, such as under sponsored agreements with the federal government, more stringent rules may be specified when funds are awarded. In these cases, the rules of the funding source apply.
- c. Whatever the source of funds, in no case will purchasing procedures apply which are less stringent than those for USNH.

3. Competitive Procurement

- a. USNH requires competitive procurement to keep costs at a minimum and to give interested suppliers an equal opportunity to provide goods and services to

- b. The cost of a procurement shall include the total cost, including all the cumulative value of a contract (not including extensions), Shipping/Freight, Delivery and Installation costs as applicable

4. Procurement Thresholds

- a. ~~y t~~ (Micro-purchase): Micro-purchases should be awarded using best business practices and competitive pricing from multiple suppliers should be used as a basis for award whenever possible. From time to time, USNH Procurement may restrict micro-purchases for specific goods or services to certain USNH contracted suppliers.
- b. \$10,000 to \$34,999.99 cost (Small Purchase): Small Purchases require the use of competitive procurement, and require solicitation of at least two (2) written quotations with a preference for three (3). These written quotations must be properly documented prior to the time of purchase. Small purchases may be made using the Formal Procurement process as defined below.
- c. \$35,000 to \$149,999.99 cost (Large Purchase): The CPO has administrative authority over the acquisition of all goods and services over \$35,000. USNH Procurement Services will utilize full and open competitive procurement methods for Formal Procurement, including sealed bids and other methods deemed appropriate, to procure the required goods and services covered by policy at the best over-all value to the USNH considering quantity, quality, durability, availability, serviceability and other factors affecting service and use as required.
- d. \$150,000 or greater cost (Strategic Purchase): The CPO has administrative authority over the acquisition of all goods and services over \$150,000. USNH Procurement Services will utilize full and open competitive procurement methods for formal procurement, including sealed bids and other methods deemed appropriate, to procure the required goods and services covered by this policy at the best over-all value to the USNH considering quantity, quality, durability, availability, serviceability and other factors affecting service and use as required.

- 1. Any procurements utilizing deferred funds, greater than \$150,000 must include a cost or price analysis, an independent estimate prior to receiving bids or proposals and must negotiate profit as a separate element of the award.

5. Procurement Requirements

- a. All procurement transactions must be conducted in a manner providing full and open competition
- b. Applicable USNH Purchases will be made from the supplier submitting the most responsive and responsible bid, including all considerations such as freight, terms, price, maintenance, life cycle cost, applicable costs of delivery, supplier acceptability (including supplier's past history with USNH and data provided on USNH Substitute

W9 form) and quality of product or service unless, in the judgment of the requisitioner,

payments to be made over the term of the contract, including any optional renewal period.

9. USNH Purchasing Documents

- a. Because proper wording in signed documents is the basis for legal consideration of purchasing agreements, all purchases from external sources will be made on USNH prescribed forms approved by the CFO. Nonstandard forms and any additions or deletions to standard forms must be reviewed and approved by the CFO. The CFO will consult with USNH General Counsel as needed.

10. Unauthorized Purchases:

- a. Any individual committing USNH funds without proper authorization does so at his or her own financial risk. USNH may consider the purchase to be void and decline to pay the invoice. In such a case, the individual has acted at his or her own financial risk.

encourages applications from qualified individuals who will help us achieve this

accordance with the [Code of Ethics](#) established by the National Association of Educational Procurement.

- c. Employees must not only avoid conflicts of interest, they must also avoid the appearance of a conflict of interest. It is the responsibility of all employees to work to maintain the good name of USNH, to develop and maintain good relations between USNH and its vendors, and to keep in mind that personal contacts form much of the basis for the opinion of USNH by its vendors.
 - d. Employees found to be in violation of the Ethical Practices and Conflict of interest policy will be subject to disciplinary action.
2. Gifts and Gratuities
- a. USNH employees shall refrain from accepting gifts, gratuities or other tangible personal benefits from vendors. Employees who are responsible for making purchasing decisions, or who are in a position to influence purchasing decisions, shall refrain from accepting gifts, gratuities

5. Supplier Involvement

- a. Companies that prepare and furnish complete specifications to be used in a competitive bid shall not be allowed to submit a bid or furnish those items during any initial contract. However, exceptions may be made in the area of developmental work where it is normal to select firms that have done the most advanced work in the field or when the contractor preparing the specifications is acting as an industry representative and is preparing proprietary specific