

1. Policy Statement

The University supports a procurement environment that recognizes that departments have special expertise and are often in the best position to determine what they need to run their programs. Policies and procedures are provided to facilitate the procurement of goods and services needed to run programs in a timely, efficient, and cost effective manner, and all procurement shall be made in accordance with these policies and procedures.

It is essential to obtain prior approval to bind the University in any agreement and to obtain prior approval to make any payment. All purchases must be charged against the correct Fund, Organization, Account and Program (the FOAP), and must be compliant with related sponsor contracts. A centralized eProcurement system and a center-led procurement strategy are used to leverage purchases for best pricing and to maintain an inventory of all purchases. Agreements must be entered into consistent with the [Authority for Negotiation and Approval of Contracts](#) policy.

2. Who is Affected by this Policy

All University employees, including faculty, staff members, researchers, graduate and undergraduate students, and any personnel responsible for the acquisition of goods and services for the University, unless otherwise exempted in accordance with this Policy.

3. Roles and Responsibilities

The University considers the prudent expenditure of funds to be a substantial responsibility and requires all individuals having such authority to exercise good judgment in authorizing purchases regardless of the source of the funds. As considerable authority is delegated to academic and administrative units to make purchasing decisions, this requires that all persons involved at every step of the process take full responsibility for understanding University policies and procedures regarding purchasing, payment and vendor relationship management. Purchasing decisions are business decisions made on behalf of the University and therefore should be made with the utmost consideration for the best interest of the University.

- a. Departmental Purchase Requester / Initiator: It is the responsibility of the departmental purchase requester/initiator of a Requisition and P-Card purchases to be certain that the items/services and quantities requested are reasonable and that funds required are presently available. The requester/initiator must clearly and accurately describe the items to be procured and may suggest a source from which they may be purchased.
- b. Departmental Budget Manager / Approver: The individual responsible for budgetary management, in approving the Requisition and P-Card purchases, indicates that he/she assumes responsibility for the expenditure of funds used for the purchase, and that he/she believes the items requested to be necessary and appropriate. Only persons responsible for budgetary accounts can approve Requisitions and P-Card purchases.

- c. Procurement Services: The Director of Procurement Services, or a designee, is the only person authorized to convert requisitions to purchase orders and dispatching to vendors for fulfillment. Procurement Services has the ultimate authority for the selection or approval of the source from which items and services are to be purchased, while respecting the judgement of the departmental purchase requester/initiator. It is also Procurement Services' responsibility to set and maintain the University's Procurement Policy and its associated procedures, negotiate University-wide procurement contracts, establish and maintain Preferred Supplier lists and purchasing programs, and provide guidance on the use of appropriate procurement methods and contract vendors.

It is the responsibility of all individuals involved with the procure-to-pay process to ensure:

- Compliance with this Procurement Policy and any related government, sponsor, and other applicable University policies, procedures, guidelines and/or business requirements;
- Best effort utilization of University-wide preferred and contract vendors;
- Utilization of appropriate University purchasing and payment methods for procuring goods and/or services; and
- Satisfactory completion of all required procurement forms to support the purchase, as appropriate.

4. **Supplier Categories**

There are numerous considerations when selecting a supplier when goods or services need to be purchased for the University, including but not limited to cost, timeframe, quality, relationship with the University and the like. The University has identified the following supplier categories that take these considerations into account:

- a. Illinois Tech / University Preferred Suppliers: This designation indicates that the University has competitively solicited and negotiated competitive commercial pricing and established legal terms and conditions with the qualified suppliers. Procurement Services is the only University entity able to authorize and designate a supplier as a University Preferred Supplier.

Departments do not need to obtain quotes or bids for spend between \$10,000 and \$250,000 if a University Preferred Supplier is used.

The use of Preferred Suppliers are strongly encouraged as they carry many benefits, including competitive pricing due to leveraging the whole University's volume, ease of ordering, improved access to information, and a higher level of service resulting from the strong commitment the supplier has to the University. Using a Preferred Supplier also improves productivity and efficiency of departmental resources by reducing the time used to source quotes/bids and negotiate contractual terms as the work has already been done by Procurement Services.

Procurement Services will maintain a list of Preferred Suppliers on the Procurement Services website as they are established through the strategic sourcing initiative.

- b. Qualified Suppliers: A supplier must be deemed a qualified supplier during the bid/evaluation and selection process to be eligible to receive a University contract or purchase order. Qualified means the supplier, whether a company or an individual, has appropriate legal authority to do business, a satisfactory record of integrity,

appropriate financial, organizational and operational capacity and controls, and acceptable performance on previous contracts, if any.

Examples of non-qualified suppliers include, but are not limited to, suppliers with a history of non-performance or performance issues on other contracts, record of financial difficulty, business instability, criminal/civils sanctions, tax delinquency, and/or suppliers who are federally suspended or debarred.

Diverse/Disadvantaged Suppliers: As a recipient of federal funds and supporter of local communities, the University seeks to utilize small/diverse/disadvantaged and local business enterprises as appropriate. Awards from government or other sponsoring agencies may also mandate participation goals. Diversity, social responsibility and environmental sustainability are also central to the University's mission, and the University aims to provide business opportunities to suppliers who share these values. Departments should make information on forthcoming opportunities available to small/diverse/disadvantaged and local vendors, as well as encourage and facilitate their participation in these opportunities.

5. Procurement Thresholds and Bidding Requirements

Competition between suppliers is one of the most effective ways to ensure that a product or service is secured at the most favorable price and terms. Competitive quoting and bidding **is required** for products or services with an aggregate total value of \$10,000 or more over the same fiscal year with the same vendor, unless an Illinois Tech / University Preferred Supplier is utilized.

The University requires competitive bidding in order to appropriately safeguard its assets. Further, as a condition for receiving federal funding for research, the University must be compliant with Federal Acquisition Regulations (FAR) and The Office of Management and Budget's Uniform Guidance. These regulations mandate competitive bidding and require that the University take affirmative steps to ensure diverse and disadvantaged businesses are given an opportunity to compete for the University's business and are used. When audited, the University must certify that its policies are in compliance for all transactions - not just those that are federally funded. In limited circumstances, competitive bids are deemed not appropriate, and the requirement for obtaining them may be waived. These circumstances are outlined in the Sole Source Procurement section below.

The following minimum quoting and bidding requirements have been established to promote competitive bidding as well as comply with various applicable laws, rules and regulations. Quotes or bids should be solicited whenever the items can be purchased from multiple sources. Quotes and bids submitted to the University must be held in strictest confidence and under no circumstances should suppliers be given information about quotes or bids or pricing obtained from competing sources. Upon request, Procurement Services will assist in locating potential suppliers and obtaining pricing and product availability information.

Definitions:

- *Documented Quotes:* Electronic quotes obtained through **Buy It** eMarketplace or emailed vendor quotes are strongly preferred. Screen capture of applicable vendor, product and pricing information obtained during internet product research is also acceptable. Verbal quotes over the telephone or in person are only permissible if they are subsequently clearly documented by the requisitioner in writing or e-mail. **All quotes must** include the following information:

- Vendor Name
 - Quote Date
 - How long the quote is valid for, usually 30-60 days
 - Vendor Quote Number (if applicable)
 - Product/Service Description
 - Quoted Price (must be an exact price and not a range)
- Formal / Sealed Bidding Process (preferred method of procuring construction): A formal process where the well-defined specifications are provided to interested bidders in written format and award is made based on vendor meeting all requirements and has the **lowest bid price**.
 - Request for Proposal (RFP) (for services or for when maintenance and/or customer service is a large component of the award): A formal process where defined specifications are provided in written format, and the contract is awarded to the bidder whose proposal is most advantageous / best total cost of ownership, **with price being one of the selection factors**.
 - Request of Qualifications (RFQ): A formal process used in choosing providers for architectural, engineering, and other professional services for requirements anticipated, but yet to be specified.

The University's required procurement processes, policies and procedures follow.

Procurement Requirement	Total Aggregate Spend Threshold	Process and Documentation Requirement For Federal Research and Grants Related Funding Sources (Sponsored Projects)
Micro Purchase	< \$10,000	<ul style="list-style-type: none"> ● Use of Preferred Suppliers strongly recommended ● No documentation required. ● Purchases should be distributed equitably among qualified diverse / disadvantaged suppliers to the extent practical. ● No self-approval is allowed on federal funds.
Small Purchase / Simplified Acquisition Threshold	>\$10,000 to \$250,000	<ul style="list-style-type: none"> ● Use of Preferred Suppliers strongly recommended, OR ● Obtain at least 3 documented quotes ● Complete <i>Vendor Selection Form (VSF)</i> to summarize the quotes, and indicate the chosen vendor. ● Purchases should be distributed equitably among qualified diverse / disadvantaged suppliers to the extent practical.
Large Purchases (Formal Bidding and RFP process required)	> \$250,000	<ul style="list-style-type: none"> ● Must complete a formal written bidding/RFP/RFQ process. ● Documented requirements and written responses required. ● Bids and proposals must be publicly solicited from an adequate number of qualified sources. ● Complete <i>Vendor Selection Form (VSF)</i> to indicate the chosen vendor.

For additional information, please refer to [Uniform Guidance 200.320 Methods of procurement to be followed](#).

Procurement Requirement	Total Aggregate Spend Threshold	Process and Documentation Requirement For Non-Federal Funds (all other funds)
Micro Purchase	< \$10,000	<ul style="list-style-type: none"> ● <i>Use of Preferred Suppliers strongly recommended</i> ● No documentation required. ● Purchases should be distributed equitably among qualified diverse / disadvantaged suppliers to the extent practical.
Small Purchase / Simplified Acquisition Threshold	>\$10,000 to \$250,000	<ul style="list-style-type: none"> ● <i>Use of Preferred Suppliers strongly recommended, OR</i> ● Obtain at least 3 documented quotes ● Complete <i>Vendor Selection Form (VSF)</i> to summarize the quotes, and indicate the chosen vendor. ● Purchases should be distributed equitably among qualified diverse / disadvantaged suppliers to the extent practical.
Large Purchases	> \$250,000	<ul style="list-style-type: none"> ● Obtain at least 3 documented quotes. ● Complete <i>Vendor Selection Form (VSF)</i> to summarize the quotes, and indicate the chosen vendor, OR complete a formal written bidding/RFP/RFQ process.

6. Sole Source Procurement

When it is not possible to obtain competitive bids, a sole source justification that meets the acceptable criteria is required. For sponsored projects, the acceptable justifications are limited to those permitted by the Uniform Guidance Procurement Standards.

The Uniform Guidance Procurement Standards went into effect for the University on June 1, 2018 and apply to awards or funding increments issued on or after that date. Purchases funded by federal grant funds **must** adhere to regulations found in the Uniform Guidance as a condition of receiving funds and to meet annual audit compliance.

In general, a “sole source” procurement is defined as any contract entered into without a competitive process, based on the existence of one of four justifications. Specifically, to be considered a sole source, one of the conditions specified on the Sole Source Justification Form must be met, which for sponsored projects, the acceptable criteria for a sole source justification are set by the Uniform Guidance rules. These are:

- The item/service is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-federal entity (OSP/BMRA should route such a request to the federal agency and will manage such request as an Agency “prior approval” request); or

- After solicitation of a number of sources, competition is determined inadequate.

In accordance with Uniform Guidance sections 2 CFR §200.320(f), entitled procurement by noncompetitive proposals, and §200.323, entitled contract cost and price, all requests using federal grant funds over \$250,000 to purchase through a sole source will require a detailed cost breakdown from the supplier including the requested profit.

For non-federal funded purchases, the same four criteria for a sole source justification also apply and the Sole Source Justification Form must also be satisfactorily completed and approved by Procurement Services.

Sole source purchases are an exception to University policy and must always be in writing. Procurement Services will review and determine whether to approve a sole source purchase on a case-by-case basis based on one or more of the following criteria:

- The requestor has investigated and documented his/her evaluation of potential alternate sources of supply for the requested product and/or service;
- The requestor's documentation explains how similar products and/or services cannot meet the required specifications; and
- The requester has documented that a good faith effort has been made to identify other sources.

No purchase may be made until Procurement Services has determined that a sole source purchase is justified.

7. Procurement Methods

The following are the primary procurement methods employed by the University. Any method beyond those listed below requires Procurement Services' prior approval. All purchases must comply with this Procurement Policy, the Travel, Authority for

Negotiation and Approval of Contracts and all other related University policies. Any questions regarding the types of items and the method through which they should be purchased should be directed to Procurement Services.

Use of any purchasing method for personal purchases will be considered misappropriation of University funds and will subject individuals to disciplinary action in accordance with University policies and procedures, which can result in termination of employment.

- Purchase Order (PO): A purchase order (PO) is the **preferred purchasing method for all purchases regardless of dollar amount**. It is done through a requisition process in **Buy It** eMarketplace, the University's eProcurement system, which encumbers funding and routes in the system for departmental, budgetary approvals, before it is converted into a PO by Procurement Services and dispatched to the vendor. A PO will reference the University's terms and conditions, and states that payment will not be remitted to any invoice that does not reference an Illinois Tech PO number.

Procurement Services strongly encourage departments to go through the requisition process and have a PO in place prior to receipt of goods or services from a vendor. **After the fact POs / check requests, otherwise called retrofit orders in Buy It eMarketplace, issued solely for the purpose of paying an invoice for goods and services already received/performed is not a leading practice, and is therefore generally not permitted.** Exceptions to

the use of a PO is listed in the table below.

- ***Procurement Card (P-Card):*** A credit card issued to authorized employees to make allowable purchases of goods and supplies up to \$2,499.99 on behalf of the University. (Larger amounts may be permitted at the discretion of the Vice President for Finance or designee.) The P-Card is also used for authorized University business travel expenses by University staff and faculty. As the P- Card is billed to and paid for by the University, P-Card holders are personally responsible for their assigned P-Cards, must not allow others to use their P- Cards, and should diligently secure the card at all times to guard against fraud and unauthorized use of the P-Card. P-Card holders must also complete the necessary receipt attachments, provide business expense description, and complete monthly reconciliation process in a timely fashion.
- ***Request for Check:*** A check request for payment is **only allowable for student travel and expense reimbursements**. All vendor invoice payments must go through the **Buy It** eMarketplace requisition process unless it is a special case and has received specific approval from the Director of Procurement Services.
- ***Expense Reimbursements:*** Use of personal funds is only allowed for the purpose of allowable goods when logistical or extenuating circumstances occur that preclude use of a PO or P-Card. The purchase of allowable goods using personal funds in excess of \$500 is prohibited unless it is the only viable alternative given the circumstances. Services may not be procured with personal funds, excluding travel related services such as dining, ground transportation, etc.

The matrix below should be used as a guide to identify and determine the appropriate

Spend / Types of Goods and Services	Buy It Requisition/PE	Procurement Card	Paper Request for Check	Paper Expense Reimbursement
Goods / Supplies < \$2,500	✓	✓	✗	✗
Goods / Supplies > \$2,500	✓	✗	✗	✗
Services (Especially On Campus / Onsite Services)	✓	✗	✗	✗
Institutional Memberships and Conference/Seminar Registrations	✓	✓	✗	✓
Staff and Faculty Travel Related Expenses (Air, Hotel, Meals, Uber, etc.)	✗	✓	✗	✓
Payment of Illinois Tech Student Reimbursement	✗	✗	✓	✗
Wire Transfer Requests	✓	✗	✗	✗
Must ALWAYS go through Buy It Requisitions <ul style="list-style-type: none"> • Industrial alcohol • Animals • Hazardous chemicals / material • Drugs • Radioactive material/waste • Professional/Consulting services 	✓	✗	✗	✗

Procurement Method based on spend thresholds, types of goods/services, and any exceptions.

8. Timely Reimbursement and Invoice Processing

In accordance with the University's [Travel Policy](#), in order to avoid having the reimbursement be taxable to the individual, reimbursement of expenses should be submitted within 60 days of completing the travel or incurring the expense; otherwise, this may result in the reimbursement being taxable to the individual. Exceptions to the 60 day policy must be approved by the Controller's Office.

All vendor invoices issued against purchase orders should be **emailed directly** to central Accounts Payable at invoicing@iit.edu. Should the departments receive any vendor paper or emailed invoices, they should be **emailed** to Accounts Payable at invoicing@iit.edu immediate for timely invoice processing and vendor payment to avoid any late payment associated penalties.

9. Contracts Requirement and Signatory Authority

All purchase contracts, vendor agreements, and transactions for the purchase of goods and services must receive approval for both contract signature and payment approval.

Procurement Services is authorized to execute contracts and place orders for goods and services, subject to the receipt of an approved purchase requisition from the initiating department. Procurement Services has delegated authority to the departments to work directly with suppliers when the transaction dollar value is less than \$10,000.

Although certain types of transactions may require review and approval regardless of size, in general, all contracts for goods and/or services in excess of \$100,000 must be submitted to the General Counsel's Office for review. If there are incremental orders with a single vendor that will exceed \$100,000 in total over any 12-month period, then there must be a contract with the vendor and it must be reviewed by the General Counsel's Office.

An individual does not have signatory authority to initiate or to enter into a contract or transaction, and should not represent that he or she has authority, unless such authority is specifically provided for in this or other policy documents or corporate resolutions. If authority is not clear, the General Counsel's Office should be consulted. Please reference the [Authority for Negotiation and Approval of Contracts](#) policy for the list of Authorized Signatories. The University shall have no obligation to honor contracts or transactions entered into that are not in compliance with applicable University policy.

Please note that payment terms (how quickly the University will pay the vendor, such as net 45 days after invoice date, payment upon invoice receipt, and the like) and payment methods (how the University will pay the vendor, via check, wire transfer, direct deposits, or another method.) are not negotiable at the department level, as they are part of the University's broader vendor payment strategy and is managed by Procurement Services.

10. Emergency Purchases

An emergency is defined as a situation in which University student, faculty, staff, visitors, the surrounding community, or facilities are at risk of imminent injury or damage likely to affect the continuing operations of the University. When an emergency condition arises, and the need cannot be met through normal procurement methods, the emergency purchase shall be made by whatever means necessary to mitigate the damage or risk. The P-Card should be used if possible; upon approval of the Vice President for Finance, or designee, limits will be raised to accommodate these purchases as necessary. If the P-Card

is not feasible, then the emergency should be mitigated by whatever means is reasonably necessary. Procurement Services should be notified as soon as possible of the circumstances.

A justification memorandum describing the emergency circumstances and the purchase methodology utilized must be submitted to Procurement Services within 2 business days from the date of purchase. No emergency purchases are to conflict with the requirements of the [Authority for Negotiation and Approval of Contracts](#) policy.

11. Conflict of Interest and Ethics

Employees of the University have an obligation to avoid activities or situations that may appear to be, or could result in, a conflict of interest. Employees must not use their University positions to influence outside organizations or individuals for the direct financial, personal, or professional benefits of themselves, members of their families, or others with whom there is a personal relationship.

For related policies and procedures, please see [Conflict of Interest and Conflict of Commitment Policy](#) and [Prohibition on the Acceptance of Gifts](#).

Procurement Services is committed to fair and ethical business practices that promote open and fair competition in the best interests of the University and the success of its supplier relationships. Procurement Services abides by the [National Association of Educational Buyers Code of Ethics](#).

12. Sales Tax Exemption

The University holds a tax exemption certificate from the State of Illinois. Vendors should be informed of the University's tax-exempt status and be provided with a copy of the certificate which can be found at:

[IIT Illinois Sales Tax Exemption Certificate](#)

The University's tax exemption is strictly prohibited from any personal use, and any such personal use will subject individuals to disciplinary action in accordance with University policies and procedures, which can result in termination of employment.