EASTERN MICHIGAN UNIVERSITY

Purchasing Procedures

Revised June 27, 2011
**Purpose**

The purpose of EMU’s Procurement Policies and Procedures is to provide guidance the university community and to vendors interested in contracting with Eastern Michigan University. These policies and procedures govern the University’s procurement of goods and services and the contracts for capital construction projects. They are designed to encourage and promote competition among vendors to ensure that the university receives the highest quality products and services at the lowest cost in the most efficient way. Additionally, these policies and procedures are designed to be responsive to the University’s need for goods and services in a timely fashion. In accordance with these policies and procedures, the University will contract for goods and services with that responsive and responsible bidder whose bid is most advantageous to the University, with price and other factors considered.

**Employees Covered**

All University employees involved in the procurement of goods and/or services and capital projects.

**Definitions**

**Requisition:** An online requisition is an electronic document, which is originated by the requester and then using the ERP system Banner is submitted to subsequent levels of authority for approval. Once approved the requisition is converted to purchase order.

**Purchasing Order:** is a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services that the seller will provide to the buyer. Sending a PO to a supplier constitutes a legal offer to buy products or services.

**Invoice:** is a commercial document issued by a seller to the buyer, indicating the products, quantities, and agreed prices for products or services that the seller has provided the buyer.

**Contract:** Any agreement between two or more parties which is enforceable by law.

**Request for Proposal (RFP):** is a stage early in the procurement process, issuing an invitation for suppliers, often through a bidding process, to submit a proposal on a specific commodity or service.

**Request for Information (RFI):** Request made typically during the project planning phase where a buyer cannot clearly identify product requirements, specifications, and purchase options. Vendors provide written information about their capabilities to deliver various goods and services. RFIs clearly indicate that award of a contract will not automatically follow.

**Request for Quotation (RFQ):** is a standard business process that invites suppliers into a bidding process, to bid on specific products or services. RFQ's are best suited for products and services that are as standardized and commoditized making each supplier’s quotes comparable.
**Responsive bid:** is one that meets the requirements of the specifications of the RFP or RFQ and the University’s contractual terms and conditions, including completeness of the quotation, forms, inclusion of references and attachments and completion of required responses. The determination that a bid is responsive is made in consultation with the Evaluation Committee and/or the appropriate executive of the department and Purchasing.

**Responsible bidder:** is a bidder able to demonstrate, to the satisfaction of the University, that the bidder has the ability, capacity, resources, fitness, and expertise to execute the project in accordance with the specifications in a manner that is likely to result in timely completion of a high quality project. The determination that a bidder is responsible is made by the appropriate Evaluation Committee/or the appropriate executive of the department and Purchasing.

### 1.1 Procurement Policy and Procedures #1 - Procurement Methodology

**PURCHASING METHODS**

Depending upon the amount and the circumstances of the purchase, there are **four ways** that university departments can procure goods, services and capital construction project services:

1. **The use of an already existing University, State of Michigan (i.e. MI Deal, MEHC, etc.), or General Service Administration contract or a Cooperative Buying Organization (E & I, TCPN, etc.) that award contracts on the basis of competitive bidding and/or negotiations.**
2. **Delegated Purchasing Authority (DPA) for purchases $5,000 or less;**
3. **Publicly advertising the procurement for purchases of greater than $5,000 with competitive bid proposals or**
4. **Procurement qualifying for a Waiver of Advertising bid proposal for purchases of greater than $5,000.**

<table>
<thead>
<tr>
<th>$5,000 and below</th>
<th>University Payment Card</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 to $25,000</td>
<td>RFP – Competitive bid process in collaboration with Purchasing that includes a specification document and at least 2 supplier quotes</td>
</tr>
<tr>
<td>$25,000 and above</td>
<td>RFP - Competitive or Waiver of Advertising bid process in collaboration with Purchasing</td>
</tr>
</tbody>
</table>

*Any of the above methods of procuring goods and services is subject to #1 as an alternative

**A) EXISTING UNIVERSITY, STATE OR GENERAL SERVICES ADMINISTRATION (GSA) CONTRACT or COOPERATIVE BUYING ORGANIZATIONS**

Prior to initiating any purchasing activity, the department should contact Purchasing to ascertain whether the item or services can bought through an existing University, State of Michigan, or General Services Administration contract, or a Cooperative Buying Organization that award contracts on the basis of competitive bidding and/or
negotiations. These options may be a viable purchasing option. If the option exists, Purchasing will advise the department how to proceed.

(B) DELEGATED PURCHASING AUTHORITY

The objective of **Delegated Purchasing Authority** is to satisfy needs of the university for the purchase of goods and services. Purchases that fall within the delegation allow the department a faster and more effective way of procuring goods and services.

DPA (Delegated Purchasing Authority) Procurement Procedures:

For purchase of $5,000 to $25,000, the department must contact Purchasing to ascertain whether the item or services can be acquired through existing University, State of Michigan, or General Services Administration contract, or a cooperative buying organization may be a viable purchasing option. The department will be advised whether DPA can be used to purchase the item or service.

1. If the DPA Purchase is less than $5,000, the department is encouraged to solicit proposals to ensure that the university is receiving the highest quality of product or services at the lowest cost. Proposal may be received verbally or in writing. Receipt by fax or email are acceptable. Verbal proposals should be documented noting the name of person contacted, date of proposal, information that was provided by and to the university, and the quoted amount.

2. For purchases over $5,000 to $25,000, the purchasing department will lead and collaborate with the requesting department to coordinate the soliciting of competitive quotes or proposals. The Purchasing Department will work with each department to ensure that:
   a. Departments must create an on-line requisition and have the necessary funding approval(s) with Banner;
   b. Departments must create a **specification document** that best describes the specific attributes, features and scope of services being provided to be reviewed by purchasing;
   c. Purchasing will assist and give recommendations to suppliers and appropriate supply chain (direct, distribution, etc.);
   d. Solicit a **minimum of two (2) written or sealed proposals**.
   e. For purchases relating to goods and services, the department must award a contract to a responsive and responsible bidder on the basis of price and other factors.
   f. For purchases relating to capital construction projects, the physical plant must award a construction contract to a responsive and responsible construction contractor on the basis of price and other factors.
   g. For purchase requisitions when competitive proposals need to be solicited, the department must forward to purchasing a copy of the **specification document**
and proposed vendors to bid. Purchasing will recommend other suppliers. Purchasing department will perform electronic RFP with proposed suppliers. Results will be shared with department and awards will be based on cost and other factors.

h. All DPA purchasing requisitions will be prepared by the department in the full amount of the purchase.

i. Purchasing will not process a requisition into a purchasing order until all required documents are received.

Until the purchase order has been issued, an order or other commitments cannot be placed with a vendor nor should a vendor be authorized to begin any work for the university.

(C) FORMAL PUBLICLY ADVERTISED BID

For a purchase of an estimated value greater than $25,000, the department must contact Purchasing to ascertain whether the item or service is available through an existing University, State of Michigan, or General Services Administration contract or a Cooperative Buying Organization. If none of the contracting options are viable, the department will be advised whether the purchase is to be made through a formal publicly advertised bid or it should be made through a Waiver of Advertising bid.

1. For the procurement of goods and/or services, the department must complete a Purchasing Bid Initiation Online Form. (www.emich.edu/purchasing/bidinitiation.php)

2. For the procurement of construction project services, the department must complete the Capital Project Request Form (www.emich.edu/physplant/CapitalProjectRequestForm051109.pdf) or the Departmentally-Funded FF&E Project Request Form (www.emich.edu/physplant/PDFs/FFE%20Project%20Request%20Form%20092209.pdf) to the Physical Plant for approval.

Purchasing will contact the department within three (3) business days to facilitate the next steps in the competitive bid process (review of specifications, creation of vendor list, timeline, etc.)

Purchases exceeding $25,000 shall be secured utilizing a competitive sealed bid process. A Request for Proposal (RFP) is typically utilized. This invitation for proposals includes a complete description of the project, materials or services and contractual terms and conditions applicable to the procurement. Advertised RFP’s are available to vendors on the Purchasing department website. For Capital Construction and Time & Materials (T&M) Projects - solicited vendors are selected via a pre-qualification process.

Sealed bid guidelines are utilized for these transactions, generally allowing fourteen (14) days response time, unless a more urgent or detailed response is required. Responses
must be returned in accordance with instructions and not later than the due date and time specified. Envelopes are time and date stamped in the Purchasing Department. At the discretion of the university, sealed bid openings are accessible to the public. The optimum number of supplier quotations will vary with each transaction. Whenever possible, a minimum of three responses should be requested.

When a contract is not awarded to the lowest bidder, a full and complete statement of justification for an alternate selection shall be recorded and maintained with the bid documents. After the award is made or when otherwise deemed appropriate, the list of bidders and bid proposals shall become public information available upon request.

(D) WAIVERS OF ADVERTISING

Waivers of advertising are exceptions to the requirement that purchases over $25,000 be procured through a formal publicly advertised bid. However, the University must adhere to the requirement for competitive bidding.

To seek a waiver for a purchase over $25,000, the department will contact Purchasing to determine whether the item or services is available through an existing University, State of Michigan, General Services Administration contract or a cooperative buying organizations. If none of the contracting options are viable, the department will be advised whether the purchase is to be made through a formal publicly advertised bid or made through a Waiver of Advertising.

Any purchase, contract or agreement described in section D may be negotiated or awarded by the university without public advertising for bids or bidding in the following circumstances:

(1) Professional services; - Accounting, legal, medical and other such services provided by a formally certified member of a professional body.

(2) Extraordinary unspecifiable services and products which cannot reasonably be described by written specifications, subject however, to procedures consistent with open public bidding whenever possible;

(3) Materials or supplies which are not available from more than one potential bidder, including without limitation materials or supplies which are patented or copyrighted;

(5) The printing of all legal notices and legal briefs, records and appendices to be used in any legal proceeding to which the university may be a party;

(6) Textbooks, copyrighted materials, student produced publications and services incidental thereto, library materials including without limitation books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials and specialized library services;
(7) Food supplies and services including food supplies and management contracts for student centers, dining rooms and cafeterias;

(8) Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with such services;

(9) Specialized machinery or equipment of a technical nature which will not reasonably permit the drawing of specifications and the procurement thereof without advertising is in the public interest;

(10) Insurance, including the purchase of insurance coverage and consulting services, which exceptions shall be in accordance with the requirements for extraordinary unspecifiable services;

(11) Publishing of legal notices in newspapers, as required by law;

(12) The acquisition of artifacts or other items of unique intrinsic, artistic or historic character;

(13) The collection of amounts due on student loans, including without limitation loans guaranteed by or made with funds of the United States of America;

(14) Professional consulting services;

(15) Entertainment, including without limitation theatrical presentations, band and other concerts, movies and other audiovisual productions;

(16) Contracts employing funds created by student activities fees charged to students otherwise raised by students, not under the direct control of the university and expended by student organizations;

(17) Printing, including without limitation catalogs, yearbooks and course announcements; printed materials used for advertising and marketing purposes

(18) Personnel recruitment and advertising, including without limitation, advertising seeking student enrollment;

(19) Educational supplies, books, articles of clothing and other miscellaneous articles purchased by a college bookstore, or by a service or management company under contract with a college to operate a university book store for resale to college students and employees;

(20) Purchase or rental of graduation caps and gowns and award certificates or plaques.
(21) Approved sole source/proprietary IT procurement of hardware, software (licensing), SAAS (software as a service) agreements, maintenance, and hardware/software support.

(22) Maintenance contracts purchased from the original equipment manufacturer (OEM) or authorized dealers for the specific equipment.

Please note that:

(1) Purchasing will review vendor selection with requesting department.

(2) A reasonable effort must be made by the purchasing team to determine that the same or equivalent materials or supplies at a cost which is lower than the negotiated price are not available from any agency or authority such as the State of Michigan;

(3) The terms, conditions, restrictions and specifications set forth in the negotiated contract or agreement are not substantially different from those which were the subject of competitive bidding pursuant and

(4) Any minor amendment or modification of any of the terms, conditions, restrictions and specifications, which were the subject of competitive bidding, shall be stated in the awarding of such a contract or agreement.

1.2 Procurement Policy / Procedure #2

Subject - Request for Information (RFI)

The Purchasing Department can assist faculty and staff early in the acquisition process by participating on product evaluation committees or by soliciting a Request for Information (RFI) on behalf of the department. The purpose of an RFI is to identify potential supplier sources (particularly helpful when buying new technology), or to learn about products that are new on the market or new to a university department. The RFI process typically asks for product information, descriptive literature, possible product demonstrations and/or evaluations and a reference list for other customers with projects of similar size and scope. Budgetary pricing can be obtained if funding is required to move the project forward. Suppliers will typically provide published price information when budgetary pricing is requested.
<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Estimated Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Quotation (RFQ)</td>
<td>A quote for products and services that are as standardized and commoditized making each supplier’s quote comparable.</td>
<td>Two (2) to three (3) business days</td>
</tr>
<tr>
<td>Request for Information (RFI)</td>
<td>Request made to vendors to provide written information about their capabilities to deliver various goods and services.</td>
<td>One (1) to Two (2) Weeks</td>
</tr>
<tr>
<td>Request of Proposal (RFP)</td>
<td>The complete process (from internal and market assessment, developing of a sourcing strategy, supplier selection, solicitation and evaluation of bids, selection of supplier and negotiation of contract), which includes the submitting of a comprehensive proposal for a specific commodity or service.</td>
<td>Eight (8) to twelve (12) weeks</td>
</tr>
</tbody>
</table>

1.3 Procurement Policy/Procedure #3

Subject-Business Relationships and Ethics

University employees that are involved in the procurement of goods and/or services and capital projects also must perform their duties with impartiality so as to ensure fair competitive access to University procurement activity by interested vendors. University employees must conduct themselves in a manner so as to foster public confidence in the integrity of the University’s procurement process.

All University employees involved in the procurement of goods and/or services and capital projects must:

- Conduct all University procurements in accordance with the University’s Procurement Procedures
- Grant all responsive and responsible bidders equal consideration. All purchases will take the Higher Education Executive Budget Bill into consideration. Office of the Budget - Office of the Budget

- Evaluate each procurement transaction on its own merits.

- Endeavor to use their best efforts to obtain the maximum ultimate value for each dollar of expenditure.

An employee shall not be a party, directly or indirectly, to any contract with a supplier at the University where he/she is an officer or employee. The employee shall not directly or indirectly solicit any contract between Eastern Michigan University of which he/she is an officer or employee and any of the following:

- To themselves
- Any firm, meaning a co-partnership or other unincorporated association, of which he/she is a partner, member, or employee
- Any private corporation in which he/she is a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on the stock exchange, or stock with the present value in excess of $25,000 if the stock is listed on the stock exchange or of which he or she is a director, officer, or employee
- Any trust of which he or she is a beneficiary or trustee.

Any contract involving the employee and the University described above shall meet the following requirement:

a. The employee must promptly disclose to the purchasing department any interest in the contract. The purchasing department will provide this information to the Board of Regents who have the power to approve such contracts, and the disclosure shall be made a matter of public record.

Unless the employee making the disclosure to purchasing will directly benefit from a contract of:

- An amount less than $250
- Less than 5% of the public cost of the contract and the employee files a sworn affidavit with purchasing and the Board of Regents (BOR)
- The contract is for emergency repairs of services

This disclosure must be made in the following manner:

- The employee promptly discloses in writing to the purchasing department. The purchasing department will release this disclosure to the presiding officer of the Board of Regents, or if the presiding officer is an employee who is a party to the contract (with an interest in the contract), to the Secretary to the Board of Regents, at least 7 days prior to the meeting at which the vote is taken.
b. The contract is approved by a vote of not less than 2/3 of the full membership of the Board of Regents in open session and without the Board of Regents member or employee ( if applicable ) making the disclosure.

c. The Board of Regents discloses the information in its official minutes.

University employees who participate in any purchase in which they or members of their families, including domestic partners, have a beneficial interest will make full disclosure of such interests to the Director of Purchasing or Associate Vice President of Finance. The University will generally not enter into a contractual relationship with such a vendor. Any exception requires the written approval of the Director of Purchasing and AVP for Finance.

1.4 Procurement Policy / Procedures # 4
Subject – Bid Waiver Authorization
Requests for an exception to the bidding procedure, such as a sole source or a proprietary source contract must be documented and preapproved using the Bid Exception Authorization Form (www.emich.edu/purchasing//docs/BidExceptionForm040511.pdf). The Director of Purchasing will evaluate all requests for exception to the competitive bid requirement and will make the final determination if a sole source or proprietary purchase of any good or service is acceptable.

2.5 Procurement Policy/ Procedure #5
Subject: Requisition Process

Funding Sources
All funds deposited with the University, regardless of source, are University funds and must be handled in accordance with University policy and procedures. Although departments are allocated funds for a given period, this allocation is only the authority to requisition and not to purchase. No goods or services are to be ordered or accepted by the department until the issuance of a purchase order.

Fund, Organization, and Account Numbers
Each department is assigned an ORG number within Banner. All electronic requisitions must contain the complete Fund, Organization, Account, Program (FOAP) stream for the department to be charged. Invalid or unbudgeted FOAP numbers will not be accepted by the online Banner Requisition Form.

Purchasing Requisition
Before preparing and entering a purchasing requisition into Banner, the department is required to ensure that the purchase is in full accord with applicable procurement policy. The department will prepare the online purchasing requisition to request the purchase of supplies, equipment and/or services from a supplier or contractor. The department must note the contract relied upon on the requisition and submit a copy of the quote citing the contract name.
A Purchase Order is a contractual agreement with a supplier of goods or services that specifies payment terms, delivery dates, item identification, quantities, freight terms and all other obligations and conditions.

Although departments are allocated funds as budgets for a given period, this allocation is only the authority to requisition and not to purchase. No goods or services are to be ordered or accepted by the department until the issuance of a purchase order.

<table>
<thead>
<tr>
<th>Types of Purchase Orders</th>
<th>Purpose</th>
<th>Receiving (3-Way Matching) Needed</th>
<th>Funds Encumbered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>Purchase of Goods or Services Rendered</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Standing</td>
<td>Purchased of Goods or Services (Reoccurring)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Blanket</td>
<td>Purchase of Goods or Services (Reoccurring)</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Based on the procurement activity the Purchasing Department will ensure that the proper type of purchase order is created. The purchasing team will assist each department to ensure that requisitions are entered correctly, which will simplify the receiving process within Banner.

(3) Change Order Request (COR)

The Change Order Request Form (www.emich.edu/purchasing/forms.php) must be prepared by the department and submitted to Purchasing to reflect a change in a purchase order. The Change Order Request is to be used in the following instances: (a) to increase or decrease the purchase quantity or price; (b) to make other changes to the purchase order. Reference must be made on the Change Order Request to the purchase order number and vendor. NO DEPARTMENT IS AUTHORIZED TO MAKE CHANGES TO ANY ORDER. PURCHASING MUST BE CONTACTED (THRU EMAIL) WHICH INCLUDES ANY NECESSARY SUPPORT DOCUMENTATION. PURCHASING WILL MAKE THE REQUIRED CHANGES TO THE ORIGINAL PO AND REQUEST THE DEPARTMENT’S APPROVER (BASED ON SIGNING LEVEL) TO APPROVE THE COR IN BANNER.
Purchases Not Requiring a Purchase Order

(1) Employee Reimbursement

Employees can be reimbursed up to $300 for allowable tangible good purchases. Employees can obtain reimbursement by completing an Employee Reimbursement Form. Eastern Michigan University is a tax-exempt entity. Therefore, Michigan taxes paid on these purchases may not be reimbursable. Employees should contact the Purchasing Department prior to securing goods for University purposes to obtain a Blanket Certificate of Exemption letter to be presented at time of purchase whenever possible. **It is recommended that the employee secure a preapproval from their supervisor before purchasing goods out of their personal funds. If the purchase is deemed not reimbursable, the purchase will not be reimbursed and the purchase becomes the sole responsibility of the purchaser.**

(2) University Payment Card

The Payment Card (P-Card) will be used for all direct purchases of goods or services of less than $5,000. The intent is to eliminate the need for small dollar purchase orders, direct reimbursements, petty cash accounts and operational advances (if applicable). The Payment Card may not be used to pay for consulting services.

(3) Direct Payment

Direct Payment will only be utilized for the purchase of goods or services by departments for dollar amounts of $5,000 or less where suppliers do not accept the University Payment Card. The Direct Pay Form is used for departmental purchases under $5000 by attaching vendor invoice and sending to Accounts Payable for payment processing. Accounts Payable will return direct payment form (and vendor invoices) to department if University Payment Card can be used as form of payment.

A purchase order will only be issued if a supplier does not accept the University Payment Card as a form of payment.

1.7 Procurement Policy/ Procedure #7
Subject: Receiving (Receipt of Goods or Services – 3 Way Matching)

**Three (3) Way Matching** is the process within Banner that allows purchase orders (quantity received or services performed) to be matched to the appropriate vendor invoice. This process takes place through an acknowledgement that goods have been received and/or services performed by the vendor by completing the **Receiving Goods Form**. The completion of this step allows Banner to match all the documents (PO, Receiving Goods Form, and Invoice).

It is important that the following steps are followed to ensure that Accounts Payable can process the invoice on a timely basis-

1. A completed online requisition is processed timely in Banner for Purchasing.
2. A completed PO is approved by Purchasing and forwarded to the vendor.
3. Vendor ships product or service.
4. **Upon receipt** in Central Receiving or in the department, a receipt is entered into Banner for merchandise received/services performed.

5. **The vendor invoice** is entered into Banner by accounts payable completing the “3-way match”

Specific processes for receipt of materials related to construction projects are specified in separate University procedures related to construction project management.

Payment of invoices requiring an electronic receipt may be delayed if receiving requirements are not completed. If Accounts Payable has received the vendor invoice against a properly authorized PO and the receiver is not completed as required based upon the PO type and/or dollar amount, a notification is sent to the requesting department that the invoice cannot be processed for payment until the requisitioning department processes the receiver.

It is the responsibility of each department to maintain sufficient **Purchase Order Encumbrance** balances to cover outstanding balances against open Purchase Orders. Orders should not be placed against Purchase orders without sufficient balances. A **Change Order Request** (COR) should be submitted and approved by Purchasing and future orders can be placed only upon confirmation of approval. **If Accounts Payable has received vendor invoice(s) against a properly authorized PO with an insufficient encumbrance,** a notification is sent to the requesting department advising that the invoice cannot be processed for payment until the requisitioning department processes a Change Order Request.

Additional specific guidance regarding receipt of goods and services may be obtained from Purchasing, Central Receiving and the Accounts Payable Department.

### 1.8 Procurement Policy/Procedure #8
**Subject: Accounts Payable – Invoicing**

Suppliers are required to submit invoice(s) with the appropriate purchase order number clearly indicated on the invoice. If the supplier fails to provide a valid purchase order number on the invoice, the invoice may be returned unpaid to the supplier. Invoices for regular orders should be mailed to **Eastern Michigan University Accounts Payable Department, Hover Building, Ypsilanti, MI 48197**. The receiving department will perform the receiving function within Banner’s Receiving Module to acknowledge the receipt of goods and/or services rendered.

For construction projects, construction invoices with appropriate supporting documentation will be accepted. Specific processes for review and approval of construction related invoices are specified in separate University procedures specifically related to construction project management.

### 1.9 Procurement Policy /Procedure #9
**Subject Signature Authority for the Execution of Contracts and Approval of Requisitions**

These procedures provide for the **delegation of authority** to specific University employees to approve requisitions (spend authorization) and/or contracts on behalf of Eastern Michigan University in the procurement of any goods and/or services.
**General Rules for Contracts**

a. All forms of contracts must be in writing. Any agreement between two or more parties which is enforceable by law is a “contract.” These procedures deal with all contracts to which the University is a party, including those agreements which are not titled “contract” (e.g. Agreements; Scope of Work, Affiliation Agreements, Memorandums of Understanding; Letter Agreements; Letters of Intent, Rental Agreements, Leases, etc.).

b. Except for contracts which follow a form which has been previously approved by the University’s Office of Legal Affairs, it is the responsibility of the signatory to obtain the appropriate legal counsel regarding the contract prior to the contract being signed. Procurement will work with the Department of Legal Affairs to ensure by University employees.

c. The contract signatory must comply with all applicable University policies and procedures, including but not limited to the University’s Purchasing Policy and Procedure for the procurement of services, supplies, material and equipment. Further, the signatory must obtain the Chief Financial Officer (CFO)/Treasurer’s approval of any contractual debt/loan instrument (e.g. capital lease); Risk Management approval of contract insurance requirements; and Physical Plant approval of design services, facilities maintenance, repair and improvements.

d. The monetary values of all contracts are considered to be cumulative, e.g. a 3 year contract costing $900,000 annually is valued at $2,700,000 and must be approved by the President.

e. For any contract above $5,000, a Contract Approval Form (www.emich.edu/purchasing/forms.php) must be completed (signed by all parties) and attached to the online requisition in Banner.

**Delegate Categories**

**Cabinet Member**
- Provost and Executive Vice President
- Vice President, Communications
- Vice President, Student Affairs and Enrollment Management
- Chief Financial Officer
- Vice President for Advancement
- Special Assistant to the President
- General Counsel/University Attorney
- Vice President and Secretary, Board of Regents

**Executive Council and Administrators**
- Executive Director, Government and Community Relations
- Chief Human Resources Officer
- Chief Information Officer
- Director of Intercollegiate Athletics
- Chief of Operations – Facilities

**Senior Administrators**
- Associate/Assistant Vice Presidents
- Associate/Assistant Provost
- Deans
- Librarian

Administrators
- Academic Department Heads
- Director of Academic Schools
- Directors

**Signatory Authority for Contracts**

<table>
<thead>
<tr>
<th>Signatory Level</th>
<th>Minimum Amount</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>$250,000</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Cabinet Members (Provo...</td>
<td>50,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Executive Council (Executive ...</td>
<td>$25,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Administrators (Academic ...</td>
<td>$0</td>
<td>$25,000</td>
</tr>
</tbody>
</table>
Signatory Authority for Contracts

a. Subject to the restrictions and conditions set forth above, the President hereby delegates to the following officers/employees authority to sign contracts within their respective Divisions/Departments on behalf of Eastern Michigan University.

   i. Cabinet Members - Contracts not exceeding $250,000
   ii. Executive Counsel and Senior Administrators - Contracts not exceeding $50,000
   iii. Administrators - Contracts not exceeding $25,000

b. The University does not recognize contracts signed by University employees as binding on the University unless the employee who signed the contract has duly delegated signatory authority. University employees who sign contracts purporting to bind the University without authority properly delegated under these Procedures may be personally subject to liability and legal action, and may also be subject to University disciplinary action.

c. It is the responsibility of all University employee signing contracts to ensure that all applicable University policies and procedures are complied with.

d. Restrictions and Additional Requirements for Contracts:
   a. The Board of Regents must be informed of all major contract proposals in advance of execution. The Board of Regents shall first approve and authorize contracts in excess of five (5) years.
   b. All consulting contracts in excess of $25,000 must be approved by the CFO.
   c. With the exception of university standard contracts or those pre-approved by the Office of Legal Affairs contracts must be reviewed by the Office of Legal Affairs.
   d. Grant proposals and contracts require the approval of the Director of the Office of Research and Development. All grant proposal budgets will be reviewed by Sponsored Research Accounting.
   e. Affiliation Agreements must be approved by the Provost.
   f. Any agreements that negotiate tuition and/or fees must be approved by the President and CFO

Signatory Authority for Requisitions
<table>
<thead>
<tr>
<th>Signatory Level</th>
<th>Minimum Amount</th>
<th>Maximum Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( From )</td>
<td>( to not exceed )</td>
</tr>
<tr>
<td>President</td>
<td>$ 250,000</td>
<td>Not Applicable</td>
</tr>
<tr>
<td>Cabinet Members ( University Official )</td>
<td>$ 50,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Executive Council and Senior Administrator</td>
<td>$ 25,000</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>(Dean or Associate/Assistant Vice President)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrators ( Department Head, School Director, or Director)</td>
<td>$ 5,000</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>Purchase Card Holders * ( no requisition needed )</td>
<td></td>
<td>$ 5000*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>* a single transaction not to exceed</td>
<td></td>
</tr>
</tbody>
</table>

1.10  **Procurement Policy/Procedure #10**

**Subject – Contract Repository**

The Department of Legal Affairs and Purchasing Team have collaborated to create a Contract Repository for the management of fully executed agreements pertaining to the purchase of goods and services at EMU. All University contracts must be authorized by the appropriate contract signatory and appropriate authorized individual for the outside entity. **Except for contracts which have been previously approved by the University’s Office of Legal Affairs, it is the responsibility of the signatory to obtain the appropriate legal counsel review prior to the contract being signed.** It is important the vendor execute any agreement (pdf. format) before EMU signatory executed the agreement. No contractual agreement of any nature shall be signed before an approved online requisition has been completed in Banner. All fully executed University contracts will be retained (scanned and indexed) in the Contract Repository using the Banner Vendor File.

1.11  **Procurement Policy/Procedure #11**

**Subject – Personal Services and Independent Contractor Agreement**

The University periodically utilizes personal services provided by independent contractors. If payment is made to an individual, departments must first complete the [Independent Contractor Checklist](#). The information provided will assist the University in determining how the individual performing the services will be classified for federal, state and FICA tax purposes. This checklist
is necessary to process a payment to an individual as an external consultant or independent contractor. If the payment is made to an established company or business name, this checklist process is not necessary.

If services rendered are $1000 or less, contract and legal review are optional.

The University utilizes two standard contract forms for personal services. The Speaker/Presenter/Performer Agreement is utilized for small contracts with individuals who are performing a service to speak, present or perform. A Personal Services Contract is utilized for more expensive and detailed service contracts that are project related and have deliverables associated with the agreement.

1.12 **Procurement Policy/Procedure # 12**
**Subject – Disbarment and Vendor Suspensions**

Eastern Michigan University has adopted rules providing for the suspension and debarment of any person and/or company from consideration for the award of contracts. If there are reasonable grounds for debarment, the debarment policy may provide for the suspension of any person and/or company.

The causes for debarment or suspension include the following:

1. Conviction of any person or any subsidiary or affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.

2. Conviction of any person or any subsidiary or affiliate of any person under any statute of the federal government (i.e.A-21, OMB A110, A 133), this state or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which affects responsibility as a state contractor.

3. Conviction or civil judgment finding a violation by any person or any subsidiary or affiliate of any person under state or federal antitrust statutes.

4. Violations of contract provisions of a character which are deemed to be so serious as to justify debarment action, such as either of the following:
   
   (a) Knowingly fails without good cause to perform in accordance with the specification or within the time limit provided in the contract.

   (b) Failure to perform or unsatisfactory performance in accordance with the terms of one or more contracts, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.

5. Any other cause deemed to affect responsibility as a contractor, including suspension or debarment of such person or any subsidiary or affiliate of such person by another governmental entity.
The purchasing department will verify all vendors against both the Michigan Debarred Vendor List and the Federal Debarred Vendor List for purchases equal to or exceeding $25,000.

For a more detailed explanation of Eastern’s Disbarment and Vendor Suspensions Policy and Procedures please use the following link (www.emich.edu/purchasing/policiesandprocedures.php).

1.13 Procurement Policy/ Procedure # 13
Subject – Vendor Information Disclosure
The University will provide vendor information in accordance with the Freedom of Information Act (FOIA), Act 442 of 1976. FOIA requests are required to be submitted in writing to the Legal Affairs Department.

1.14 Procurement Policy / Procedures # 14
Subject-Purchases on Government Grants and Contracts

The University receives many grants and contracts for academic research. In carrying out its sponsored projects, the University must fulfill all award conditions. Some of these conditions are stated in the sponsored project agreement, others in statutes, regulations and policy statements. Federal awards must comply with the Office of Management and Budget (OMB) Circular A-21 and A-110 regulations, and any additional agency specific rules.

There is a distinction between procurement activities and sub-award activities on a sponsored award. Per OMB A-110 regulations, a sub-award is an arrangement in which two (or more) qualifying legal entities/institutions are working collaboratively on a sponsored project in which the collaborating institution is responsible for completing a scope of work, programmatic decision making, adhering to compliance requirements of the prime award and uses funds to carry out the project as compared to providing goods or services. An entity that provides goods and services is defined as providing good and services within normal business operations, provides similar goods or services to many different purchasers, operates in a competitive environment, provides goods or services that are ancillary to the operation of the program and are not subject to the compliance requirements of the prime award. These procurement activities must be made using regular University procurement processes.

The Office of Research and Development (ORD) is responsible for determining if a sub-award is needed at the time of the proposal and will secure any documentation required by the Sponsor. In addition, sub-awards will be discretely indicated in the proposal budget as such.

A grant or contract often requires the University to include certain contractual clauses in sub-awards issued under the prime award. Grants Accounting, ORD and Legal Affairs determine which contractual clauses are appropriate for inclusion on sub-awards or procurement contracts.

Prior approval may be required by the sponsor for various procurement activities such as equipment or complex goods or services. Grants Accounting and ORD are responsible for
determining if approval is necessary. Grant Accounting will require proper approval documentation before a purchase can be made.

Procurement documents, such as request for proposals, bidding documents, etc., will be made available for review at the sponsor’s request.

Any contract issued on a federal award for construction or facility improvements in excess of $100,000 will require additional reviews and approvals from the federal awarding agency. While construction is a procurement activity, and will be handled through the University’s Purchasing Department, awards for construction or facility improvements have additional regulations that apply. One such federal requirement is that the federal agency must review and approve the University bonding policy and the requirements it places on the contractor. For questions, contact ORD or Grants Accounting.

1.15   Procurement Policy / Procedures # 15
Subject- Supplier Diversity and Buy Michigan

Eastern Michigan University is committed to actively seeking goods and services from minority, women, and physically-challenged owned enterprises (M/W/DBE). The University will make “best efforts” to encourage the participation of Minority Business Enterprise (MBE), Disadvantage Business Enterprise (DBE) and Women Owned Business Enterprises in EMU’s competitive bidding activities. The purchasing department will work with internal departments and conduct future outreach activities to identify certified M/W/DBE companies to participate in the University’s RFI, RFQ, or RFP process to procure goods and/or services.

In order to comply with the State of Michigan higher education appropriation bill, The University supports the following State of Michigan procurement requirements.

“Funds appropriated from the State of Michigan shall not be used for the purchase of foreign goods or services, if competitively priced and of comparable quality American goods and services are available. Preference should be given to goods or services manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.” (http://www.michigan.gov/buymichiganfirst)

EMU’s Purchasing Department will work to heighten awareness and promote all Michigan suppliers and products that are made in Michigan.

1.16   Procurement Policy / Procedures #16
Subject – Vendor Selection – Sourcing Process

In the vendor selection process, the Purchasing Department will engage the marketplace and assist each department in the selection of responsive and responsible vendors. We shall not
discriminate against any vendor because of race, creed, age, sex, or national origin, nor shall the university continue to patronize vendors known to practice any forms of discrimination.

Awards are made to the vendor that provides the lowest qualified response, which includes price, product quality, warranty, maintenance, shipping, discount terms, delivery timeline, adherence to request specifications, previous university experience with vendor, reference checks, location, etc.

The Purchasing Department provides structure and guidance for sourcing process. This includes (a) conducting pre-bid vendor conferences, (b) receiving and responding to all vendor questions during the bid process (c) assisting originating department and/or selection committees with scoring matrixes and bid response evaluation (d) coordinating vendor presentations (e) facilitating the completion of appropriate legal documents and (f) vendor notification of awards.

If a bid is cancelled, all solicited vendors will receive written notice of cancellation.

The university is a member of several cooperative buying organizations that are designed to provide exclusive access to significant discounts on a wide variety of commodities and services. That benefit is derived from the consortium leverage needed to provide advantageous pricing for its members. The Purchasing Department may purchase from these organizations when appropriate and in the best interest of the university.