

University of Iowa Purchasing Policy & Procedure Guide



Table of Contents

PURCHASING DEPARTMENT MISSION STATEMENT	1
<i>INTRODUCTION</i>	<i>1</i>
I. GENERAL PURCHASING POLICIES and PROCEDURES	2
A. <i>The Purchasing Department</i>	2
B. <i>Conflict of Interest</i>	2
C. <i>Purchases from University Faculty or Staff</i>	3
D. <i>Reference Catalogs</i>	4
E. <i>Requisitions</i>	4
II. BOARD OF REGENTS POLICY MANUAL	9
Purchasing	9
A. <i>Authority</i>	9
B. <i>Organization and Responsibilities</i>	9
C. <i>Qualified Vendors of Goods and Services</i>	11
D. <i>Vendor Appeal Procedures</i>	11
E. <i>Competitive Conditions</i>	12
F. <i>Specifications and Standards</i>	16
G. <i>Inspection and Testing</i>	17
H. <i>Cooperative Purchasing</i>	17
I. <i>Reporting</i>	17
III. ORDERING PRODUCTS and SERVICES VIA PURCHASE ORDER	18
The Procurement Timeline	18
IV. THE PURCHASE REQUISITION PROCESS	19
A. <i>Basic Procedures</i>	19
B. <i>Purchase Requisitions Tutorial</i>	19
C. <i>Facilitating the Purchasing Process</i>	19
D. <i>Freight</i>	20
V. ADDITIONAL PURCHASE ORDER TYPES and PROCEDURES	22
A. <i>Blanket Orders</i>	22
B. <i>Waiver of Bid Requirements</i>	22
C. <i>Prohibited Items</i>	23
D. <i>E-Pro</i>	23
E. <i>e-Voucher</i>	24
F. <i>PReqs</i>	24
G. <i>Procurement Card</i>	25
Appendix A—Procurement Card Risk	26
Appendix B—Memorandum - Protocol for Obtaining Equipment on a Trial Basis	28
Appendix C—National Association of Educational Procurement CODE OF ETHICS	29
Appendix D—Anti-Kickback Regulations	30
Appendix E—Accounts Payable, Purchasing, Travel and Procurement Staff	31
Appendix F—University of Iowa Web Home Pages	31
Appendix G—Purchasing Agent/Commodity Assignment List	32
Appendix H—INTERDEPARTMENTAL SERVICES	33
Appendix I—Training Classes & Programs	34
Appendix J—Glossary of Terms	35
Appendix K—University of Iowa Non-Discrimination Statement	38
Affirmative Action and Equal Employment Opportunity Statement of Policy and Purpose	38
Statement on Diversity	38

PURCHASING DEPARTMENT MISSION STATEMENT

The mission of the University of Iowa Purchasing Department is to obtain quality goods and services at the lowest reasonable cost, while operating at the highest standards of ethical conduct. We accomplish this through cooperative team interaction and continuous quality improvement in support of the overall goals of Finance and Operations. Purchasing's authority is delegated from the Board of Regents through the President of the University in accordance with the statutes and administrative rules of the State of Iowa and the procedures of the Board of Regents.

INTRODUCTION

The purchasing process includes not only the ordering of goods and services and the receipt of ordered products, but extends to invoice processing and payment, involving many people and departments. Requisition information is entered into the Purchasing and Payables system, which Purchasing Agents use to process Purchase Orders. Purchasing Agents also work directly with vendors to negotiate fair and reasonable contracts for quality goods and services.

Departmental Requesters fill a key role in the purchasing and payment processes. They are the liaisons between the ordering departments and the Purchasing department. Since Requesters' names and phone numbers appear on Purchase Orders, Requesters are in many cases the first contacts between The University and the vendors. Depending on their department's organization, Requesters may be responsible for the completion and tracking of Requisitions, accounting, and receiving products and services. In short, The University relies on their valuable skills and expertise.

The Purchasing Policies and Procedures Guide is written for individuals with departmental responsibility and authority in The University's purchasing and payables processes. This guide contains references to the State Code of Iowa, Regents, and University policies, which govern the purchasing and payables processes. The Purchasing Department welcomes any questions that may arise regarding these policies and procedures. Names, telephone numbers and areas of responsibility of Purchasing Staff members are included. Faxes, voice mail and e-mail promote timely responses to your inquiries.

The University of Iowa has three methods for ordering products and services. *E-Pro* is the new e-procurement web based application. It consists of *PReq* and *e-Voucher* applications with a link to the *ProTrav* application. *PReq* initiates a purchase order which is required for the purchase of goods & services greater than \$5000. It is optional for purchases less than \$5000. *E-Voucher* initiates a payment which is required for goods and services less than \$3000. It is also used for memberships & certification fees, subscriptions, refunds, reimbursements, research subjects and utilities. *ProTrav* is the procurement card reconciliation tool and web-based travel system. It is for low dollar goods & services and includes all travel processes & forms along with travel-related reimbursements and payments. Detailed descriptions of these processes can be found in the Requesters Guide to Purchasing and Accounts Payable at www.uiowa.edu/~purchase

All individuals acting on behalf of The University in authorizing purchases have the responsibility to ensure compliance with the applicable Federal and State statutes and Regents' guidelines.

I. GENERAL PURCHASING POLICIES and PROCEDURES

Policies and procedures for The University purchasing and payments processes, detailed in this guide reference the State Code of Iowa, Regents and University Policies including but not limited to the 2004 edition of The University of Iowa Operations Manual, Part V. Administration, Finance, & Facilities, Chapter 11.

A. *The Purchasing Department*

The Purchasing Department administers the procurement of products and services for all University departments by the authority delegated through the President by the State of Iowa Board of Regents. The Director of Purchasing is vested with sole authority to obligate University funds, while ensuring adherence to the statutes and administrative rules of the State of Iowa and the policies and procedures of the Board of Regents.

The Purchasing Department follows the Code of Ethics of the National Association of Educational Buyers (NAEP), the professional association serving the purchasing and materials management professionals who support higher education and not-for-profit health care organizations. For the NAEP Code of Ethics see [Appendix C](#) or www.naepnet.org/.

B. *Conflict of Interest*

The Regents Policy Manual, 7.07, is explicit regarding University business transactions with employees of Regents institutions and should be consulted directly as the need or question arises. "Employee shall mean a paid employee of the State of Iowa, the employee's spouse or minor children, and any firm of which any of those persons is a partner or sole proprietor, as well as any corporation of which any of those persons holds five percent or more stock either directly or indirectly."

For more information on Conflict of Interest as it relates to state employees, see Iowa Code Section 68B.2A Conflicts of Interest at www.legis.state.ia.us/IACODE/1999SUPPLEMENT/68B/2A.html.

For more information on Conflict of Interest as it relates to public bids being required -- disclosure of income from other sales. See www.legis.state.ia.us/IACODE/1999SUPPLEMENT/68B/3.html

1. **Federal Standards**

The Federal Government employs a slightly different standard of conflict of interest which may affect SUI employees purchasing goods and services with federal grant or contract funds.

The Federal Government also states that even the appearance of impropriety is to be avoided. The following section from the Office of Management and Budget Circular A-110 (OMB A-110) Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations deals with conflicts of interest.

"A-110.42 Codes of Conduct. The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient."

For a complete listing of purchasing guidelines when using federal funding refer to the Office of Management and Budget Circular A-110 at the following address: www.whitehouse.gov/omb/

C. Purchases from University Faculty or Staff

1. Definitions:

a) Personal relationship

Personal relationship means relationship with another sufficiently close that a reasonable person would believe that it would be most difficult for a faculty or staff member to deal with the person as he or she would deal with a stranger.

b) Financial relationship

Financial relationship means a partnership or other commercial relationship involving a joint venture between the faculty or staff member and another person.

1. General Policy:

a) Purchases from faculty or staff members exceeding \$1,000 for one transaction or \$2,000 in one year must be approved by the Board of Regents, State of Iowa.

b) Services of faculty or staff, or members of their immediate household other than those in established businesses providing such services as outside contractors, unless approved in the budget or in advance by the Vice President for Finance and Operations, are approved only after Purchasing has determined the services are either uniquely exclusive or otherwise beneficial to the University in comparison to other available sources of the required services.

c) University faculty or staff members cannot be interested, directly or indirectly, in any contract to furnish material of any kind to or for the University. In addition, participation in direct sales (pyramiding) ventures is considered a direct or indirect interest in a contract and is encompassed by this policy. Based on special approvals, faculty or staff members may be reimbursed for out-of-pocket expenditures on presentation of approved vouchers with receipts or other acceptable evidence of actual amounts paid for items purchased for University use.

d) Faculty or staff members who would benefit personally from the supplying of goods or services to the University by any prospective supplier may not participate in the decision process leading to the choice of supplier. Specifically, faculty or staff members who have or who reasonably anticipate having either an ownership interest in, a significant executive position in, or a consulting or other remunerative relationship with a prospective supplier may not participate in the recommendation of, drafting specifications for, or the decision to purchase the goods or services involved. Faculty or staff members who know that a member of their family (or any other person with whom they have a personal or financial relationship) has an ownership interest or significant executive position in a prospective supplier are also disqualified from participating in the purchasing of the goods and services. However, faculty or staff members whose sole ownership interest in a potential supplier is held by a fiduciary (such as TIAA-CREF, a blind trust, or a mutual fund) that has the power to acquire or dispose of the interest without consultation with the faculty or staff member are not disqualified from participation in the purchase decision.

e) When a faculty or staff member is disqualified from participating in a procurement decision, the fact of the disqualification and the reason for it must be reported to others involved in the decision. If necessary, a substitute may take the faculty or staff

member's place under procedures established by the Vice President for Finance and Operations. Consult the Purchasing Policies and Procedures Guide for details.

D. Reference Catalogs

The Purchasing Department maintains a significant file of catalogs, reflecting current prices for equipment, goods and services for the information of all departments. Negotiations for purchases, including requests for quotations, or requests for proposals, must be accomplished through the Purchasing Department.

E. Requisitions

1. General information

When possible, and when it makes good Purchasing sense, requisitions should be directed to Iowa Targeted Small Businesses. All state agencies have a goal of 10% of their overall business going to these minority and women-owned TSB. Sources of supply are also sought from the state and federal small business community to satisfy various social, economic, and political requirements.

State agencies are also encouraged to direct business to **Iowa Prison Industries**. Orders are reviewed for appropriateness, based on quality and competitiveness.

Requests for items that are available from the U of I **General Stores** are directed to them. Orders for printing and copying services are directed to the **U of I Printing Department**. Orders that the Printing Department cannot fulfill are directed to outside vendors and paid on State Printing Orders, which the Printing Department issues. Bids for printing to outside vendors are also handled by the Printing Department.

Requisitions are also reviewed for possible purchase based on existing contracts and, if the items ordered are under contract, the purchase is directed to the appropriate vendor for the contracted price. Examples of the various available contracts are: University of Iowa, Joint Regent, E & I, State, CICPC, and UIHC Novation.

2. Requisitions and other transactions under \$5000

Acquisitions of products and services under \$5000 may be handled three ways: *Submission of a PReq, a e-Voucher, or use of a procurement card*. Purchasing authority has been delegated to each department for those transactions <\$5000. Purchasing encourages the use of the Procurement Card for these transactions, but other factors may be considered when making this purchasing decision. *Every department is encouraged to apply for a departmental Procurement Card to process their transactions under \$5000*. This eliminates significant costly processes such as order writing, mailing or faxing of orders, processing invoices, and check writing. The card is issued in the name of the employee responsible for ordering supplies for the department

3. Requisitions \$5000-10,000

The Department creates the requisition on the [PReq system](#) and sends it to [Workflow](#). Both are accessed via the U of I Self-Serve. The PReq system assigns a Buyer to each requisition based on the Category Code of the first line item. Requisitions are routed via Workflow to the specified *Purchasing Agent* (Buyer) after the final departmental approval. The *Purchasing Agents* review, edit, and approve the requisitions in their Workflow inbox. After the *Purchasing Agent* has approved the requisition, and if no additional approvers remain on the Workflow path, the PReq system assigns a purchase order number. Three times daily PReqs load to **PeopleSoft** as [Open](#) Purchase Orders. The *Purchasing Agent* does final PO edits to the Tolerances, Freight Terms, Payment Terms, PO Type, Dispatch Method, Match Action, and Match Rule, if needed and approves the order.

4. Requisitions >\$10,000

PREqs for supplies and equipment over \$10,000 are entered by the department and sent to Workflow. After the final departmental approval the requisition is routed to the *Purchasing Agent*. They must be competitively bid unless existing contracts are in existence or the user can provide justification for directing the order to a sole source. If the products are unique and cannot be supplied by any other known vendor, the sole source justification included with the PReq is completed. The sole source should also be documented in an RFQ Recap along with the quote from the vendor.

All competitive bids must be posted to the State's TSB 48 Notice Web Site prior to sending out the bid. This allows **Iowa Targeted Small Businesses** to review all of the state agency bids and to seek potential opportunities for business by responding to whatever bids they feel they are capable of supplying those products or services.

5. Request for Quotation/Request for Proposal

a) Competitive

(1) Bidder Selection

All RFQ/RFPs require a minimum of three bidders. This is a requirement of state law and Regent Policy. See the Board of Regents Policy Manual at www2.state.ia.us/regents/Policies/Chapter-7/chapter7.htm for detailed information. However, there often are good reasons to include more than three vendors. When selecting a vendor it is advisable to contact the Purchasing department if you are developing a vendor list at the department level. Purchasing often has pre-approved vendors and Targeted Small Vendors they would like to have included. When developing a vendors list the following sources can be useful; telephone yellow pages, Thomas Registry, sales representatives, industry contacts, trade journals, previous bids, and from peers and colleagues at other universities.

b) Capital Equipment over \$250,000

Requests \$25,000 and over are entered by the department and sent to workflow. After the final departmental approval the requisition is routed to the *Purchasing Agent*. The *Purchasing Agent* approves the requisition. The requisition is routed to the Director of Purchasing as the final approver in the Workflow path. The PA forwards all necessary supporting documentation (RFQ, Sole Source documentation, contracts etc) to the Director of Purchasing.

Capital equipment requests \$250,000-\$1,000,000 must be submitted to the Board of Regents Executive Director for review and approval prior to order writing. Capital equipment requests in excess of \$1,000,000 must be put on the Board docket and approved by the Regents at their monthly meeting.

c) Trade-in Equipment

If you are trading in University of Iowa tagged equipment against a new purchase, create a separate line item and include the Property Management tag number in the item description field and the trade-in amount, as a negative dollar amount, in the extension field on the Requisition form.

Property Management uses this information to remove assets and to correctly record the amount of the newly purchased equipment in the asset books for your department, or "in The University ledgers."

If disposing of U of I tagged equipment, be sure to complete the Surplus Form and route to Property Management to review and pass on to Surplus. Surplus will assist departments in reselling equipment or disposing of obsolete equipment. Depending on the type and value of the item being resold, a percentage of the proceeds may be returned to the department. Contact Surplus Stores at 5-5001 for more information.

For additional information on disposing of equipment, see The University of Iowa Operations Manual, Division V, Chapter 12 at www.uiowa.edu/~our/opmanual/v/12.htm

d) Obtaining Equipment on a Trial Basis

Due to a variety of legal factors, including risk of loss, liability, audit trails, ownership, etc., the following protocol has been established to assist University departments wishing to test or evaluate equipment prior to purchase:

Equipment requested by University departments from vendors on a trial, loan, demonstration or evaluation basis does not constitute a commitment to purchase said equipment. The requesting department must inform Purchasing before any equipment with a fair market value exceeding \$10,000 is to be tested or evaluated for more than five days.

Vendors wishing to make arrangements for demonstrations of their product or equipment must coordinate these plans with the appropriate Purchasing Agent. The individual receiving the equipment for their department **must** submit a completed Equipment on Loan or Demonstration Agreement form to Purchasing prior to accepting the equipment for demonstration, testing, or evaluation.

User department personnel should not indicate to vendors that the loan, demonstration, testing, or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase that equipment. Competitive purchasing processes will be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.

All moving, handling, transportation and applicable installation costs associated with equipment of this nature are the sole responsibility of the vendor. The University will not incur any costs associated with equipment on trial, loan, demonstration, test or evaluation.

In the event of a loss, the department will contact Risk Management for instructions and claim forms.

Zero dollar requisitions for trial basis equipment cannot be entered into the PReqs system. Contact the Purchasing Agent for assistance with orders for trial merchandise.

For a copy of the Equipment on Loan or Demonstration Agreement form see [Appendix B](#) for cover letter and print form by accessing it at www.uiowa.edu/~eforms/prch/eldaf.pdf

e) Sole Source Purchases

Sole source items are items performing a certain function for which no other items are known to exist. Superior products with new patents or uniqueness (art work) may limit the purchase to a sole source. Justification for specifying such items is extremely important and must be documented. Sole-source situations, however, can be minimized by use of performance specifications, and Requests for Proposals.

f) Single Source Purchases

Single source, or sole source, purchases are for items which are restricted to one manufacturer or source because of an emergency situation or standardization decisions. In some cases, emergency requests can be phone or fax quotes for price verification. Where standardization is justified, many purchases can be bid through several distributors. The justification may be that the supplier is the only source for the commodity, or they may operate in a limited competitive market where the manufacturer only authorizes one dealer for its products in each sales area. The vendor could have a patented design or feature, or merely be the closest producer from a transportation standpoint. They may have a higher quality product, have better engineering support, or have the best production capacity for the buyer's needs. They may also be the only supplier willing

to deal with small volume. Other justifications may include superior customer service, low reject rates, favorable payment terms, or a good delivery track record.

The Purchasing Agent has the authority to approve or reject the justification. Approval does not preclude the Purchasing Department from securing a formal quotation for the product or service. Purchasing Agents are empowered to negotiate more favorable agreements or solicit better pricing, terms and conditions. Sole Source Justification forms can be obtained by accessing the e-forms web site at: <http://www.uiowa.edu/~eforms/> or contacting the Purchasing Department.

g) Auditing the Competitive Bid Process

The Office of Naval Research (ONR) has Federal audit responsibility for all federal funds granted to The University, and the equipment obtained with those funds. Every 2-3 years ONR audits The University of Iowa purchasing system and equipment inventory system to evaluate compliance with Federal Acquisition Regulations. The results of this audit determine The University's eligibility to compete for Federal funds. The ONR regional audit offices recommend approval or disapproval of these systems to other Federal agencies based upon their audit findings regarding the degree of The University's compliance. The State Auditors and our own Internal Audit staff also ensure frequent, thorough review of our processes.

h) Tax Exemption

The University is exempt from paying sales tax on the gross receipts from goods and services rendered in fulfilling its purpose as an educational institution. Taxes are collected on the gross receipts of any activities for which an admission fee is charged, including athletic events, theater, concerts, student organization activities, and others. The University collects sales tax on sales of goods, food, and services which are available to the general public. Please see: www.uiowa.edu/~gencouns/salestax.shtml for more information.

i) Customs and Foreign Orders

When ordering scientific instruments, educational or other goods from foreign countries, Departments must apply for duty-free entry into the United States. For information on how to apply for duty-free entry, contact the one of the brokers below.

Make a note on your Requisition for foreign vendors to use one of the following brokers for Customs clearance.

For Most Orders:
Phil Patterson Corp.
421 Fleur Drive, Suite "F"
Des Moines IA 50321-2370
(515) 287-38840
Fax (515) 287-1394

Goods from the West Coast:
C. H. Robinson International, Inc
P. O. Box 86
Minneapolis MN 55486-0805
(630) 572-9710
Fax (630) 572-0583

- Contact Sherri Dusenbery at 5-1207 for further information or questions.

j) Gratuities, Conflict of Interest and Federal Anti-Kickback Legislation

By law, University employees are prohibited from receiving any gift, token, membership, gratuity or service from a vendor as related to any purchase made on behalf of The University of Iowa. Immediately notify your supervisor(s), The University's Internal Auditor, or the Office of the State Auditor if you become aware of any state employee or vendor involved in the purchase or bid process accepting or offering a kickback, gift, token, membership, gratuity or service of any kind that might compromise the buyer-vendor relationship. (See [Appendix D](#), for further reference information.)

k) The Gift Law

In 1992 the legislature passed the Iowa Public Officials Act which amended the gift law in Iowa Code chapter 68B. The gift law was further amended in 1993. A gift is anything of value given to you for which you did not give something of equal or greater value in return. The law prohibits public officials, public employees, candidates for public office, and members of their immediate families from soliciting or accepting gifts from a “restricted donor.” An example of accepted items would be available free of charge to members of the general public and non-monetary items worth three dollars or less, such as pencils or bumper stickers.

A transaction is prohibited if all three of the following exist:

- (1) the recipient (donee) is a public employee, a public official or one’s immediate family member (defined as spouse or dependent child);
- (2) the recipient receives a “gift” as defined by the law; and,
- (3) the donor (person giving the gift) is a “restricted donor.”

The gift law applies only when the donor is within one of four categories defined in the statute. The law uses the term “restricted donor” to mean a giver who is within these four categories.

- Anyone who contracts with your agency or is seeking to contract with it. This includes persons involved in sales, leases, purchases, or other contracts. The term “agency” includes all public bodies covered by the statute, including a city, school district, or county. (Certain agricultural commodity production boards are excluded.)
- If you are an official or employee of one of the 16 listed “state regulatory agencies,” a “restricted donor” is also any person who is the subject of, or a party to, a matter pending before that part of the regulatory agency (or “subunit”) in which you have discretionary authority as an officer or employee. The agent of persons with matters pending before your subunit is also a “restricted donor.” Thus, for example, a member of the Board of Medical Examiners could not accept a gift from a doctor who is the subject of a pending investigation before that board nor from the doctor’s lawyer. However, this would not make the doctor a “restricted donor” as to employees or officials of unrelated units in the Department of Health.
- Anyone who will be directly and substantially affected financially by performance or nonperformance of your official duties in a way that is greater than the effect on the general public or a substantial class to which the person belongs (such as all members of a profession or residents of a region). An agent of such a person is also a “restricted donor.”
- Anyone who is a “lobbyist,” or a client of a lobbyist, regarding matters within your agency’s jurisdiction. A lobbyist is described as any individual who, for the purpose of encouraging the passage, defeat, approval, veto, or modification of legislation, a rule, or an executive order, by members of the general assembly, a state agency, or any statewide elected official, by acting directly, does any one or more of the following:
 - Receives compensation
 - Is a designated representative of an organization
 - Represents the position of a federal, state, or local agency in which the person serves or is employed as the designated representative
 - Makes expenditures of more than \$1,000.00 in a calendar year to communicate in person (other than to compensate another for lobbying services or to communicate with a person’s own legislators).

See University Operations Manual Division II, Chapter 17: www.uiowa.edu/~our/opmanual/ii/17.htm.

l) Prohibition on use of Purchasing or Payment Procedures for Personal Purposes

The personal use of the purchasing or payment process is prohibited by law and can result in discipline, up to and including dismissal from employment.

II. BOARD OF REGENTS POLICY MANUAL

(from Chapter VII - Business Procedures) at www2.state.ia.us/regents/Policies/Chapter-7/chapter7.06.htm

Purchasing

The Regents affirm that the best interests of the state of Iowa and the Regent institutions are served through implementation of a fully competitive purchasing system.

A. Authority

1. The Board of Regents is authorized by statute to contract for goods, services, and capital improvements (Iowa Code §8A.122, §8A.302, and §262). Capital improvements are addressed in Chapter 9 of the Board of Regents Policy Manual.
2. The Board delegates authority to approve agreements and contracts for all goods and services purchased by the institution, except for capital improvements, fire protection, legal services, and engineers. (681 IAC 8.2(3))
3. Remedies for breach of contract shall be in accordance with Iowa Code § 554.

B. Organization and Responsibilities

1. The Board of Regents shall establish policies and maintain oversight of all procurement functions. The Board Office and institutions shall meet regularly to insure coordination of purchasing policies and procedures.
2. Goods and services are purchased by the chief business officer of each institution, acting through the institutional purchasing director, on the basis of competitive procedures. Such purchases need not be reported to or approved by the Board of Regents, provided that the chief business officer has determined that there is no unusual circumstance which requires the special attention of the Board, and provided the purchase does not involve a lease which must be approved or reported.

Policies related to capital projects, including bidding, bid security, selection of architects/engineers for Regent institutions are in Chapter 9 of this Policy Manual.

3. Each Regent institution, through an institutional purchasing department, shall be responsible for purchasing goods and services. Institutions may delegate purchasing responsibility to departments. Low dollar procurement authority may also be delegated to institutional units through the use of credit cards or other appropriate procurement instruments, consistent with prudent, contemporary business and audit practices.
4. Each Regent institution shall establish a purchasing procedure for goods and services.
5. Each Regent institution shall maintain a purchasing policy and procedure document.
6. Each Regent institution shall be custodian of its purchasing records, including but not limited to purchase requisitions, requests for quotations, purchase orders, vendor correspondence and related documents and shall maintain such records in accordance with applicable law.
7. Iowa State University will process purchases of \$5,000 or more for the special schools.
8. Under the Iowa Code and the Iowa Administrative Code vendors may only charge a maximum interest of 1% per month in some situations when a claim remains unpaid after 60 days. This does not apply to claims against the state under Chapters 25 and 669 or claims paid with federal funds. (Iowa Code §8A.514 and 681 IAC 8.2(4)) The provisions of Iowa Code § 551, "Unfair Discrimination," shall not apply.

9. The provisions of Iowa Code Chapter 551, "Unfair Discrimination," shall not apply.

10. Regent institutions shall adhere to the professional ethics embodied in the code of the National Association of Educational Buyers.

11. Employees, officers, and members of the Board of Regents shall comply with the Iowa Code § 68B, "Conflicts of Interest of Public Officers and Employees" and Regents Conflict of Interest Policy (681 IAC 8.9).

a) Board of Regent institutions shall take appropriate steps to notify employees, vendors, and suppliers of Regent policy on conflict of interest.

b) This policy shall be incorporated in the operations manual of Regent institutions, along with any other provisions relating to the subject of an explanatory or more specific or restrictive character.

12. Definitions:

a) Moveable equipment is defined as any moveable property valued at a unit acquisition cost of at least \$5,000 which is identifiable, is not a replacement part, and has a useful life of one year or more.

Fixed equipment is defined as permanently affixed/installed furniture, fixtures and equipment. Examples include but are not limited to: elevators, kitchen cabinets, laboratory casework, building directories, library shelving, drinking fountains, signage, plumbing fixtures, building mechanical systems, fixed electronic equipment, and fixed theater or classroom seating, as well as other fixtures and equipment installed with the intent of permanent use in that location. Fixed equipment, which is part of a capital project, is exempt from the requirements of the following subsections

b) Equipment purchases are subject to the following review procedures prior to the issuance of a purchase order or any other purchase commitment by the institution.

(1) Equipment with a unit cost of less than \$250,000 or a total purchase cost less than \$500,000, will be purchased by the chief business officer of each institution, acting through the institutional purchasing agent, as outlined in Section B.2 of this Policy Manual.

(2) Equipment with a unit cost greater than \$250,000 or a total purchase cost of \$500,000 to \$1,000,000 will be submitted to the Board Office for approval. The Executive Director will notify the Board of such actions. At the discretion of the Executive Director, the equipment purchase may be submitted to the Board for approval.

(3) Equipment costing more than \$1,000,000 will be submitted to the Board for approval.

c) The Executive Director may approve emergency purchases which exceed \$1,000,000 to be followed by Board ratification. Emergency purchases are defined in 681 IAC 8.9(4).

d) Any request submitted to the Board Office for approval pursuant to sections 12(b) and 12(c) of this policy will include the following information regarding the equipment to be purchased.

(1) Description of the equipment.

(2) Justification of the need for the equipment.

(3) Any known alternatives to the equipment proposed.

(4) Estimated cost and source of funding.

C. Qualified Vendors of Goods and Services

1. Each institutional purchasing department shall maintain a master list of prospective suppliers. This list is a resource to be used at the discretion of the Purchasing director.
2. Any person, agency, or firm wishing to supply goods or services in a category may request, in writing, that its name be added to the institutional master list. The name is added to the institutional master list if, in the professional judgment of the purchasing director, the addition would aid in fostering a competitive situation. The purchasing director may require the requesting party to furnish information on qualifications to supply the item(s) indicated and financial responsibility prior to determining whether to add a vendor's name to the institution's master list.
3. Third party bid subscription services, who themselves do not supply goods or services utilized by Regent institutions, are not approved vendors. The institutions need not add these bid services to their institutional master list of suppliers, nor provide electronic access for downloading copies of bids, if access is reserved for approved vendors. Third party bid subscription services and non-approved vendors may request copies of bids under public records statutes. Institutions providing copies may charge a reasonable fee to cover the costs including, but not limited to, copying, labor, and postage. The opportunity to receive copies may be suspended should reimbursement of such costs not be made promptly. (Iowa Code §§ 22.3 - 22.4)
4. **Non-responsive and Non-responsible Vendors.** Once a supplier is added to the master list, the name shall not be removed from the list by an institution except for good and sufficient reasons. Such reasons shall include, but not be limited to, the following:
 - a) Delivery of goods and services that do not comply with specifications;
 - b) Failure to deliver within the specified time;
 - c) Refusal to deliver after submitting a quotation, bid, or proposal and after receiving an order;
 - d) Withdrawal of quotations, bids, or proposals prior to the placing of an order;
 - e) Failure to have qualified service available in the area to set up, check out, or instruct personnel in use of goods or failure to have parts to service goods, if a part of the agreement or warranty, written or implied;
 - f) Bankruptcy or other evidence of insolvency, or any other fact which might cause substantial doubt about the supplier's ability to continue as a responsible source and fulfill obligations;
 - g) Failure to comply with the Regent Equal Employment Opportunity Policy;
 - h) Illegal purchasing practices;
 - i) Failure to respond to requests for prices;
 - j) No longer in business;
 - k) No bids or orders issued in the last consecutive two-year period;
 - l) Failure to timely cure one or more noncompliant deliveries;
 - m) Removal from an institutional master list of another Regent institution.
5. Removal for cause is not to exceed three years, except upon specific authorization of the Board. Reinstatement requires application to the institution.

D. Vendor Appeal Procedures

Vendor appeal procedures are currently under revision and will be updated later

1. Vendors

- a)** A vendor who wishes to appeal removal from a Regent institution's qualified vendor list shall, initially, attempt to resolve the issue at the institutional level.
- b)** If the vendor is dissatisfied with the institution's response, the vendor may notify the executive director in writing of the vendor's dissatisfaction and request Board Office assistance.
- c)** Complainants are required to exhaust administrative remedies at the institutional level before making a written request for review to the executive director.

2. Board Office

- a)** The executive director or designee may then take steps to assist the vendor and the institution in resolving the issue(s).
- b)** If the issue(s) remain(s) unresolved, the executive director, at the request of the vendor, may docket the matter for review by the Board. Any complaints from vendors received by Board members shall be referred to the Board of Regents Office for investigation. Results of the investigation shall be sent to each Board member. The vendor's written request and supporting information shall also be sent to the institution involved and that institution shall file a written response with the Board Office supporting the institution's position.
- c)** If the complaint is docketed, the executive director will prepare a recommendation for the Board to consider. If the complaint is docketed, the results of the investigation shall constitute the basis of the executive director's recommendation. If the complaint is not docketed, the results of the investigation shall be sent to each Board member.
- d)** A copy of the recommendation with notice of the date, time, and place of the meeting for which the matter has been docketed shall be sent to the vendor and the institution within a reasonable time. The recommendation and the Board action shall constitute a final report.

3. Institutional

Copies of any written complaints received by the institution shall also be sent to the Board of Regents Office if there are inter-institutional implications.

E. Competitive Conditions

The following policies establish the competitive conditions under which Regent institutions shall operate.

1. Competitive Procedures

Each purchasing director or chief business officer - shall be responsible for establishing procedures to ensure that goods and services are competitively selected. Written bids are required for purchases, which are expected to exceed \$10,000. Competitive selection may incorporate multiple criteria of award, with awards made based on bidder whose proposal provides the best value as determined by the institution/purchasing department.

Negotiated, noncompetitive, and sole source purchases are recognized by the Regents as proper procurement procedures in appropriate circumstances where the public will be served. With appropriate institutional review, both competitive negotiation and noncompetitive negotiation processes may replace written competitive bidding when the purchase is anticipated to exceed \$10,000. Regent institutions shall justify the use of negotiated, non-competitive, and sole source purchasing procedures upon request.

2. Bidding

Two types of bid solicitations, either formal or informal shall be used. The determination of which type of bid to be used shall be at the discretion of the institutional purchasing department, except as otherwise provided by law or administrative rule.

a) Formal Sealed Bid.

Public notice is required for formal sealed bidding with a bid opening at a specified place on a scheduled day and at a scheduled time. Sealed bids will be publicly opened and read at the date and time specified in the written notice, unless otherwise indicated in the bid documents.

b) Informal Quotation.

This is a request for prices or quotations that is mailed, faxed, communicated by telephone, emailed, or otherwise delivered electronically by the institutional purchasing department with due date and time noted. There is no public reading of bids or quotations.

Institutional purchasing departments shall provide an opportunity for qualified prospective vendors to prepare timely bids or quotations.

c) Bids or quotations are tabulated in the purchasing department.

A buyer either makes the award decision or consults with the requesting department for assistance in the decision, particularly when alternate products are offered by bidders.

The names of the bidders and the amounts bid shall be supplied to any person upon request after the opening of the bids and as soon as the evaluation of the bids is completed and the award is made. Information will not be released in situations in which the release would provide a competitive advantage to any of the bidders.

Nothing contained in these conditions shall be construed to mean that the lowest priced goods or inferior or substandard goods must be purchased. The Regent institutions are to purchase goods at the lowest cost consistent with the quality and service required.

Should a buyer recommend an award to other than the low compliant and responsible bidder, a review of the recommendation shall be conducted by the institutional purchasing director or designee. It shall be the responsibility of the chief business officer or his/her designee to monitor the low bid rejections.

d) Withdrawal of Bids.

Bids may be withdrawn prior to the time set for receipt of bids. Bids shall not be withdrawn after that time, except as noted herein, without penalty.

Only in the event of an obvious and documented error where it would be a manifest injustice to require the vendor to perform, can a vendor withdraw a bid after the time set for receipt of bids. Such withdrawal of bids can be done only upon the recommendation of the institution under procedures approved by the executive director.

e) Procedure for Withdrawal of Bids

- (1) A request to withdraw a bid shall be provided in writing to the institutional purchasing director or designee of the institution taking such bids.
- (2) A vendor is required to provide written documentation of any alleged error.
- (3) Each request for withdrawal will be considered on its own merit.
- (4) An investigation into the request of the vendor to withdraw a bid shall be carried out by the institutional purchasing director or designee.
- (5) A request for withdrawal of bids shall be made part of the vendor's record.
- (6) Any future request for bid withdrawal by the same vendor may be cause for removal from all Regent institutions' bid lists as an indication of a non-responsible vendor.

f) Bid Security.

Regent institutions have discretion to use bid security as an incentive to vendors to enter into contractual requirements.

g) Common Conditions for Use of Bid Security

Bid security shall be used in cases where the purchasing director determines there is a need to protect the interest of the institution. The need for bid security may, in part, be determined by the size of the proposed purchase, the item or items being bid, the competitive conditions surrounding the purchase, and the history of such purchases, including general reliability of vendors being requested to bid a particular purchase.

Occasionally, it may be appropriate to require bid security from prospective buyers. Bid security, when utilized for purchasing, shall follow bid security requirements as set forth in the 681 IAC 8.6(2 & 4).

3. Sole Source Purchases

The Regents recognize that in some instances scientific, mechanical, and technical equipment or supplies or services may be required which are obtainable only from a sole source.

4. Emergency Purchases

The Regents recognize that in some emergency situations the taking of competitive bids or quotations is not feasible or possible. In such situations the requirements to do so may be waived. Emergency purchases are defined in 681 IAC 8.9(4).

5. Iowa Prison Industries

Regent institutions are encouraged to purchase products produced by Iowa Prison Industries unless the exceptions in the Iowa Code apply. Iowa Code § 904.808. Nothing herein shall require Regent institutions to procure items from Iowa Prison Industries when such items are purchased from Targeted Small Businesses.

6. Iowa Products and Labor

All state agencies shall use those products produced within the state of Iowa, when they are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states. (Iowa Code §§ 73.1).

7. Targeted Small Business

It is the policy of the Board of Regents, State of Iowa to provide contract opportunities to targeted small businesses. All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to targeted small businesses. (681 IAC 7.7, Regent Policy Manual § 5.05).

8. Professional Service Contracts.

“Professional Service Agreements are contracts for unique, technical and/or infrequent functions performed by an independent contractor qualified by education, experience and/or technical ability to provide services. In most cases these services are of a specific project nature, and are not a continuing, on-going responsibility of the institution. The services rendered are predominately intellectual in character even though the contractor may not be required to be licensed. Professional service agreements may be with partnerships, firms or corporations as well as with individuals.

a) Selection of a Provider.

Professional service agreements for greater than \$25,000 must be selected through a competitive Request for Proposal (RFP) process unless the service is a sole source purchase that is appropriately documented. The \$25,000 threshold is not based on a one-time cost, but rather on a cumulative cost for on-going services under the terms of the project engagement. Professional service agreements, which are less than \$25,000 over the course of service, may be entered into without using the required competitive bidding process. Total payment to a professional services provider for services provided to any one university department may not exceed \$25,000 in a fiscal year, unless subject to competitive bidding or review and approval by the institutional purchasing department. Selection of a professional service provider shall be based on a variety of criteria including, but not limited to, demonstrated competence, knowledge, references and unique qualifications to perform the services, in addition to offering a fair and reasonable price that is consistent with current market conditions. Additional criteria may be used as appropriate to the circumstances.

b) Provider Accountability.

Work requirements should clearly define all performance objectives, work expectations and project milestones, and hold the contractor accountable for successful completion of the resultant agreement. Requirements may include, but not be limited to, reports, training sessions, assessments, evaluations or other tangible services.

c) Provisions of Professional Service Agreements.

The following terms and conditions must be addressed:

(1) Performance Requirements.

Performance requirements should be precise and written in such a way that it can easily be determined if and when the contractor has successfully fulfilled his/her obligations under the Agreement. Consequences for noncompliance such as non-payment and/or termination of the contract must also be defined. Scheduled due dates that specify milestone targets must be clearly identified and may include, but not be limited to, regular meetings scheduled to evaluate progress, identification of problem areas to determine actions to be taken to resolve any concerns, dates for formal written reports, required oral progress reports, and contract monitoring requirements.

(2) Period of Performance.

The resultant agreement must specify a start date and a completion date. While there may be exceptions, in most circumstances an end date to the agreement will be required. If an end date cannot be determined, a maximum time limit or maximum number of hours must be stated. Agreements with organizations are typically written for a specific term of successive years. In some instances, these agreements are annually renewable. Other provisions of an agreement may include a renewal clause beyond the original term of the agreement. Extended term agreements for individuals are discouraged.

(3) Compensation and Payment.

Compensation and payment terms include elements relating to cost and payment, such as maximum cost, (i.e. not to exceed cost), cost per deliverable, hourly rates for individuals providing services, number of hours required, allowable expenses and total authorized for expenses, payment and invoicing procedures. Compensation and payment terms should also include a statement as to whether the Regent institution will pay expenses incurred by the contractor and if so, which ones. Such expenses may include, but not be limited to, airfare (economy or coach class), lodging and subsistence necessary during periods of required travel; expenses incurred during travel for telephone, copying and postage, and private vehicle mileage. If other types of expenses are allowed, they must be clearly defined.

(4) Performance Monitoring.

The institution shall monitor the compliance with the terms and conditions of the agreement and applicable laws and regulations.

(5) Provision of Liability.

The provider may be required to show proof of insurance coverage and workers compensation in compliance with statutory requirements, in the form specified by the institution.

F. Specifications and Standards

1. Consistent with the Board's purchasing policies and procedures, institutions, when establishing standards and specifications and size of orders for goods and services, shall give due consideration to the ability of Iowa businesses to compete in bidding for those goods or services. The institutions shall continue to observe the goals of quality and economy in purchasing while meeting the needs of the institutions.

2. Specifications shall be prepared to assure that they do not restrict or preclude competition.

3. All requests for bids and proposals for goods and services and other needed articles to be purchased at public expense shall, whenever possible and practical, be made in general terms addressing functional specifications rather than brand, trade name, or other individual mark. Brand names and numbers, when used, are for reference purposes and indicate the character or quality desired. If brand names are used, the specifications shall contain an "or equal" or "or acceptable alternate" clause. The institutional purchasing director shall determine what is an acceptable alternate.

4. Recognition is also given to standardization and compatibility requirements which should be maintained for purposes of economies in replacement and maintenance.

5. Life cycle cost and energy efficiency shall be included in the criteria used by institutions under the Board of Regents in developing standards and specifications for purchasing energy consuming products. Life cycle cost means the expected total cost of ownership during the life of a product. (Iowa Code §8A.311) Institutional procedures may identify the parameters for which energy consuming products are subject to this section.

"Preference shall be given to purchasing American-made products and purchases from American-based businesses if the life cycle costs are comparable to those products of foreign businesses which most adequately fulfill the institution's need."

Iowa Code addresses purchasing paper and other recycled products. (Iowa Code §262.9(4-6)).

6. Standard terms and conditions, contained on requests for bids, quotations, and purchase orders, are intended to ensure that all the basic considerations relevant to the agreement are covered. For purposes of internal consistency all Regent institutions shall standardize general terms and conditions on purchase orders and bid solicitations. Such terms and conditions shall include, but not be limited to, exclusive agreements between parties, acceptance agreements between parties, acceptance conditions, guarantees and warranties, rights of inspection, termination, and listing of specific federal regulations.

7. Regent institutions are encouraged to use specifications for flexible fuel vehicles when purchasing light-duty vehicles and when equivalent flexible fuel models are available. Flexible fuels are defined in Iowa Code §8A.362(5) and include E85. The provisions outlined in this policy do not pertain to those used for the purchase of vehicles used for law enforcement, off-road maintenance work, or to pull loaded trailers. Flexible fuel vehicles operated by Regent institutions are encouraged to operate on E85 fuel when an E85 fueling station is available. Regent institutions are also encouraged to use biodiesel blends in diesel vehicles when the blends are available.

G. Inspection and Testing

1. When practical and feasible, Regent institutions should test and evaluate all goods.
2. Product association testing reports, independent research laboratories or governmental testing reports may be utilized in evaluation criteria.
3. An inspection of goods shall be performed at time of receipt and/or use.

H. Cooperative Purchasing

1. Regent institutions are encouraged to exchange price information, vendor lists, bidder histories, and standard specifications and to implement inter-institutional purchasing arrangements wherever practical and feasible so that maximum value can be obtained.
2. Regent institutions are encouraged to participate in interagency cooperative purchasing agreements. It is the Regents' intent that such cooperative purchasing continue to provide the lowest competitive price consistent with quality and service requirements of Regent institutions.
3. Regent institutions may purchase from state central purchasing contracts if it is in the best interest of the institution.
4. State agencies, by prior agreement, may purchase items through Regent institutions providing that such purchases shall not jeopardize educational discounts accruing to Regent institutions.
5. Regent institutions are encouraged to participate in inter-institutional cooperatives with other universities, health care organizations, and similar affinity groups to gain better prices and choices.

I. Reporting

An annual report on purchasing, including purchases from Regent employees, shall be submitted by each institution to the Board Office.

III. ORDERING PRODUCTS and SERVICES VIA PURCHASE ORDER

The Procurement Timeline

The DEPARTMENT...

The Requester...

- Order request from faculty or staff
- Requisition is entered in PReqs Application by the department and sent through workflow.
- Orders under \$5000 are completed after the last person from the department approves the requisition. A Purchase Order number will be assigned to the requisition.
- Orders \$5000 and greater will be routed to Purchasing in Workflow.

PURCHASING

The Purchasing Agent (Orders \$5000 and greater)...

- Review high-dollar Requisitions online, edit and approve OR
- Submit for bid for orders greater than \$10,000
- After receiving bid, edit and approve Requisition
- After Purchasing Agent approves a Requisition, a Purchase Order number will be assigned
- Requisition uploaded to PeopleSoft as an open PO
- Purchase Order is approved in PeopleSoft by the Purchasing Agent

(Orders over \$250,000 approved by Board of Regents first; orders over \$1,000,000 go on Board of Regents Docket and require 60 days advance notice.)

↳ Then PURCHASING...

- Prints all Purchase Orders following overnight batch process
- Faxes or Mails Purchase Order to vendor, except Confirming Orders
- Purchase Order report will be available for departments

The VENDOR...

- Receives Purchase Order
- Ships products or provides service to department
- Mails invoice to Accounts Payable

ACCOUNTS PAYABLE...

Receives invoices

- Verify invoice to Purchase Order online
- Enter invoice into the Purchasing and Payables system
- Create "Assumed Receipt <\$10,000 Voucher" or "Capital Equipment and/or >\$10,000 Voucher" and email notification to Requester

The DEPARTMENT...

- Receives products or services from vendor
- Receives Assumed Receipt Voucher email, notes date received and files (Notifies Accounts Payable to withhold payment if necessary) OR
- Receives Capital Equipment and/or >\$10,000 Voucher email and paper copy, approves, notes date received, completes Asset Management Information. Returns one copy to Accounts Payable and files department copy

ACCOUNTS PAYABLE

On scheduled payment date OR when department approves payment, generates a check and mails payment to the vendor.

IV. THE PURCHASE REQUISITION PROCESS

A. Basic Procedures

Departments enter Requisitions for goods and services into the Purchase Requisitions Application (PReqs) on the FUS Self Service page at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production. The information required on the Requisition form varies depending upon the type of order, however all required fields must be completed. The Requisition is validated and submitted to Workflow for the department approvals. After the departmental approvers have approved the requisition, the requisition is then routed to Purchasing via Workflow. Requisitions less than \$5000 are completed, and a Purchase Order number is assigned, after all of the departmental approvals are obtained.

Requisitions \$5000 and greater are routed to the Purchasing Agent after the final departmental approval. The Purchasing Agent reviews and edits the requisition, and approves it in Workflow . The purchase order number is assigned and the PReq is then uploaded to PeopleSoft as an open purchase order. Orders are then approved in PeopleSoft, printed, and dispatched to vendors. (Note: Under normal circumstances Confirming Purchase Orders are not sent to vendors.)

The printed Purchase Order contains the Requester name and phone number and the Purchasing Agent name and phone number. If a question arises, the vendor may contact either the Purchasing Agent or the Requester.

After the invoice has been received and processed by Accounts Payable, a voucher is created. After approval of the voucher by the department, a check for payment is issued to the vendor.

B. Purchase Requisitions Tutorial

To view step-by-step instructions for completing a requisition on the Purchase Requisition (PReqs) System see the on-line tutorial on the Training menu at: www.uiowa.edu/~purchase/purchase

C. Facilitating the Purchasing Process

Plan Ahead

Allow 30 days or more for Requisitions for purchases over \$10,000, which will require competitive bidding. For large capital equipment purchases or projects requiring the purchase of multiple pieces of equipment, contact Purchasing well in advance with specifications and lists of potential bidders. Purchases of \$500,000 or greater must be submitted to the Board of Regents for approval.

Vendor

Prior to starting a Requisition, plan ahead and do a vendor search in PReqs. PReq vendor searches will only show Active, Approved vendors. <https://preqs.its.uiowa.edu/preqs/>

- Create New Req.
- Click the Magnify Glass
- Search vendor

Searching for vendors ahead and discovering they are not on the system will allow plenty of time for the following:

- Sending out Vendor Application Form
- E-mailing Purchasing Vendor Team for help.

Enter Requisitions completely and accurately on the PReq System at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production

- All fields on the Requisition form are required except for the Comments section.
- A 10-digit Requisition number is assigned electronically to each requisition. Example: W000000001. Requisition numbers begin with W.
- Indicate if the item pricing is quoted. Reference quote number and/or person providing quote. Put this information in the line item field or in the Vendor comments field.
- If pricing is estimated, enter a comment in the Internal Comment field. Departments should attempt to get firm pricing before approving orders under \$5000.
- Orders under \$5000 are not routed to Purchasing for approval. A Purchase Order number is assigned to the Requisition after the last departmental approval.
- The Purchase Requisitions system will not allow zero amount Purchase Orders.
- Orders \$5000 and over are routed to the Purchasing Agent. After the Purchasing Agent approves the order a Purchase order number is assigned.
- The Item Description should include, where applicable, the vendor product number, catalog number, item and/or model number(s). This number should be first in the Item Description field, followed by descriptive text.
- If no product, catalog or model number is available, provide a complete description.
- Be precise when specifying the quantity and the corresponding unit of measure. Is the box of 12, 24 or 144? Make sure the unit price is accurate for the quantity and unit of measure you have indicated.
- “Confirming Order Do Not Duplicate” is an important phrase to understand. This phrase should be in the Vendor Comments on every Confirming order. A “Confirming Order” is one that has been previously placed with the vendor verbally, via fax, or by email irregardless of whether or not an advance purchase order number was used. This includes all orders placed on a vendor’s website and orders already received and/or invoiced.
- A minimum of two electronic signatures on the Requisition Form is required at the departmental level.
- Remember to check the Attachments box on the PReq if attachments must accompany your order. Send Attachments to Purchasing via Campus Mail, fax, or email.
- For orders \$5000 and over, address the Attachment to the Purchasing Agent. Indicate the Purchasing Agent’s name, Requisition ID, Requester name and Requester phone # on the Attachment.
- For orders less than \$5000, address the Attachment to the Req/PO Team. Indicate the PO number, Requester name, Requester phone #, and date on the Attachment.

D. Freight

UI has negotiated rates with preferred vendors for both inbound/outbound shipments. Business and residential rates are included in our contract.

1. Preferred Freight Vendors

- **Packages:**
 - Federal Express Packaging/Ground (www.fedex.com)
 - United Parcel Service (www.ups.com)
- **Long Hauls** (cross country)
 - Yellow Freight System (www.myyellow.com)
 - Roadway Express (www.roadway.com)
- **Short Hauls** (in or around state of IA)
 - Dohrn (www.dorhn.com)

a) Freight Terms in PeopleSoft

(1) **DEST-UI:** The University takes ownership of goods once they are delivered to their destination. The freight charge is paid by the vendor to the freight company and then added to the vendor’s invoice to us.

(2) DEST-VNDR: The University takes ownership of goods once they are delivered to their destination. The vendor pays the freight cost. It is not billed back to us on the vendors' invoice.

(3) FOBDEST-UI: The University takes ownership of goods once they are delivered to their destination and pays the freight cost directly to the freight carrier. The freight is billed to a U of I freight account.

(4) FOBSHIP-UI: The University takes ownership of the goods as soon as they leave the vendor's shipping point. The University pays the freight cost directly to the freight carrier. The freight is billed to a U of I freight account.

(5) SHIP-UI: The University takes ownership of the goods as soon as they leave the vendor's shipping point. The freight charge is paid by the vendor to the freight company and then added to the vendor's invoice to us.

(6) SHIP-VNDR: The University takes ownership of the goods as soon as they leave the vendor's shipping point. The vendor pays the freight cost. It is not billed back to us on the vendors' invoice.

The default freight terms in **PeopleSoft** are DEST-UI. The *Purchasing Agent* is responsible for changing the freight terms on the purchase order, if necessary, based on a vendor's quotation or other information related to the order. Departments are encouraged to provide their carrier account numbers on their PREqs so that this information can be provided to the vendor on the PO and we can take advantage of the University's freight discounts. See additional information in the following section.

V. ADDITIONAL PURCHASE ORDER TYPES and PROCEDURES

A. *Blanket Orders*

A Blanket Order is a Purchase Order from which goods and services may be purchased over a given period of time rather than in a single transaction. Contact your Purchasing Agent for more information about Blanket Orders. Blanket Orders differ from standard Purchase Orders as follows:

- are used for more than a single transaction
- \$5000 per year minimum
- may be used for items under contract
- are not to be used for the purchase of equipment items
- do not encumber funds
- may have limits on dollar amounts set by your department
- may have other restrictions set by your department

B. *Waiver of Bid Requirements*

The Purchasing Department has sole discretion to waive competitive bidding requirements in certain situations, including but not limited to:

1. **Immediate need.**

It can be demonstrated without question that the requiring department could not have foreseen the required purchase in sufficient time for normal purchasing procedures to be used.

2. **Emergency need.**

Life will be endangered, property will be destroyed, or considerable cost will be incurred because of events beyond the control of the department if the procurement is not completed without delay.

3. **Sole source.**

There is only one person or firm that can provide the requirement. No other known person or firm is available with an equivalent service or supply. Departments must complete a sole source justification form (see www.uiowa.edu/~eforms) and receive approval from Purchasing prior to commencing the purchase process.

In order to justify a sole source purchase, one or more the following criteria must be substantiated in support of the justification:

a) **Compatibility with existing equipment.**

This justification may be used if the goods or services are being purchased to directly interface with or attach to equipment of the same manufacturer, and no other manufacturer's goods will correctly interface with existing equipment.

b) **Compatibility for instructional purposes.**

This justification may be used if the goods are being purchased to supplement existing equipment in a classroom. The goods must match the existing equipment and is being purchased to provide uniformity for instructional purposes.

c) Compatibility for Research.

This justification may be used if the main purpose for acquiring equipment or supplies is to replicate specific experiments, using the exact goods that produced the original results. You may also use this justification if you are collaborating with another researcher and can show that identical goods are required to fulfill your part of the research grant or contract.

Only one supplier can be identified to supply compliant goods or services. In limited cases, only one supplier may exist to provide particular goods or services. When providing a justification based on the availability of one supplier, the goods or services must be defined in generic terms. Specifying patented products or processes, when not necessary to meet functional requirements, is not acceptable as a sole source justification. Justifications can be accepted more readily by providing information regarding attempts to locate other suppliers, such as letters, informal quotations, or telephone contacts.

d) Noncompetitive Justification:

The following may be reasons for using noncompetitive procurement methods:

- (1) Patent rights, copyrights, secret processes, or control of basic raw materials may preclude competition, although they do not in and of themselves always justify using noncompetitive procurement.
- (2) Bids have been solicited and no responsive bid (conforming to the central requirements of the solicitation) has been received

C. Prohibited Items

1. **Personal items** such as desk pen sets, etc., except where necessary by reason of public use.
2. **Luxury items** -- items in which a more elaborate design or appointment has no practical advantage over a less elaborate and more economical item.
3. **Printing-related equipment**, which unnecessarily duplicates or replaces services provided by University service units. The Printing Department Manager, who shall conduct a need determination and, if necessary, develop equipment specifications on which prospective vendors may base quotations, must approve requests for purchase. Printing-related equipment includes presses, photocopiers, typesetting devices, photomechanical transfer machines, and other graphic arts equipment in use by University service departments, or which performs a service or creates a product already provided on the campus.
4. **Personalized items of printing** such as letterheads, noteheads, memorandum sheets, etc. However, University business cards may be purchased from the University's Printing Department upon requisition by which the ordering department signifies approval of personalized cards for persons whose duties require them to represent the University in business and professional matters.
5. **Printing and printing-related work**, including photocopying. See [VI-21 Printing Department](#).

D. E-Pro

E-Pro is the new e-Procurement web-based application. It consists of the e-Voucher and PReq applications and a link to the ProTrav application. The e-Voucher system will be used for Non Purchase Order vouchers only. When you initiate a voucher, you will load information into a new form in the e-Voucher System. The "initiator" is the person who enters the information into the e-Voucher system. After you complete your voucher, you will send the form into the Workflow System, following a predetermined path established by your Org/Department/Unit. You will be able to determine at any time where your form is. Access the e-Voucher

system through the Employee Service Portal at <https://hris.uiowa.edu/portal/>. For more information regarding this system, please see: www.uiowa.edu/~fusap/ap/Documents/e-Voucher.pdf

E. e-Voucher

The e-Voucher system will be used for non-purchase order vouchers only. This application is also used to make all payments to research subjects, including payments previously processed through payroll. When you initiate a voucher, you will load information into a new form in the e-Voucher system. The “initiator” is the person who enters the information into the e-Voucher system.

After you complete your voucher, you will send the form into the campus Workflow System for electronic approvals, then on to AP for auditing and payment. You will be able to determine at any time where your form is in the Workflow process.

e-Voucher Transaction Examples

Goods & Services under \$3000:

- Memberships/Subscriptions
- Food
- Reimbursements/Refunds
- Leases/Rentals
- **(Long Term-6 months or greater should be processed via PReqs)*
- Certification Fees
- Travel
- Research Subjects
- Utilities
- Miscellaneous
Certification Fees & Prepayments <\$3000

Sales Tax: University is Tax Exempt
(Exemption eform is available on the web at
www.uiowa.edu/~gencouns/sales_tax/Taxexemptcertificate.pdf)

F. PReqs

Purchase Requisition Transaction System creates a web based requisition, sends it through campus workflow for electronic approvals and then on to Purchasing for sourcing. This system has been designed to replace the paper process of requesting goods and services needed on campus.

1. Excluded Items

- Airline Executive Club Memberships
- Alcohol
- Animals
- Automotive Repairs
- Business Cards †
- Capital Equipment
- Cash Advances
- Copying †
- Cylinder Gases & Liquid Nitrogen
- Gasoline (rental car) †
- Gifts for Staff
- Lease, Rentals of equipment †
- Leases, Storage
- Meals for Individual Travel
- Personal Expenses at Hotel
- Movie Charges
- Personal Phone Calls
- Spa Charges
- Personal Items
- Printing †
- Radioactive Materials
- Telephones, Related Equipment
- Weapons, Ammunition

†These charges may be allowed if expense is travel related.

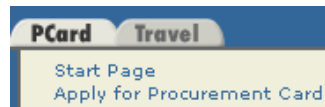
G. Procurement Card

The University of Iowa Procurement Card is a primary vehicle for low-dollar transactions. Procurement cards are issued to a department under an individual staff member's name with the agreement to observe specific rules and procedures. The University shares responsibility and risk with departments when those rules and procedures are followed. See [Appendix A Procurement Risk](#) or on-line at www.uiowa.edu/~purchase/PCard/PCard_FAQ/pc_risk.htm

The Procurement Card has many advantages over other low-dollar purchasing tools. These include:

- No geographical limits.
- Available 24 hours per day, 365 days a year.
- Only one Voucher per month covers all Procurement Card transactions.
- Provides users speed and control of low-dollar purchases.
- May now charge most of their travel expenses directly to their departmental procurement card rather than using a personal charge card and submitting expenses for reimbursement.

To obtain a Procurement Card for your department's low-dollar purchases, log on to Self-Serv. <https://protrav.bo.uiowa.edu/travel/load.cfm> click PCard tab and fill out the on-line agreement form.



Once the application has been processed and card received, the Procurement Card team will notify the new cardholder and instruct them of upcoming training times and locations. Training is required for all cardholders.

Questions regarding statements, vouchers, payments or ProTrav contact Tim Orris at timothy-orris@uiowa.edu or 5-2915 in Accounts Payable.

Contact protrav@uiowa.edu or 5-0115 for questions on how to obtain a Procurement Card, cancel a card, or to discuss a higher monthly limit.

Procurement Cards may NOT be used to purchase the prohibited items listed under Low-Dollar/Non-Purchase Order Transactions. See www.uiowa.edu/~purchase/PCard/procurement/manual/PCard.html for more information.

Procurement Card Risk

The University agrees to share with the department the risk associated with the use of the Procurement Card when the following measures have been taken:

- The Cardholder/Department promptly contacts Purchasing (335-0389 or 335-0385) Department when there is reason to believe that a card has been lost, stolen or misused.
- The Cardholder/Department maintains the actual card and card number in a secure and safe place to avoid "unauthorized" individuals access to credit card information.
- Cardholder/department adheres to the written terms and agreements contained in the University Procurement Card Manual and Procurement Card Agreement.
- Cardholder/Department instructs all authorized users of the above mentioned guidelines, and periodically reminds users of the accountability requirements.
- Cardholder/Department reviews Procurement Card billing monthly to confirm that the card's use is limited to purchases for the benefit of the University.

Memorandum

Date: March 3, 2009

To: "[Click here and type Department User name]"

From: "[Click here and type Purchasing Agents name]"

Subject: Protocol for Obtaining Equipment on a Trial Basis

With the many purchases made at The University of Iowa, there are at times the need and desire to evaluate a piece of equipment by department users prior to purchase.

Historically, department users made requests directly to a Vendor to evaluate a piece of equipment. After the department extensively researched various alternatives, they then notified Purchasing of their desire to obtain that equipment from the Vendor. We believe that this process, while well intentioned, may not be in the best interests of all parties involved.

There are a variety of legal factors including risk of loss, liability, audit trails, ownership, etc., that should be addressed and resolved prior to any equipment being sent by a Vendor for evaluation.

To that end the Purchasing Department has established the following protocol in hopes of providing greater assistance to University departments wishing to test or evaluate equipment prior to the actual purchase.

Departments should use this protocol, including the "Equipment on Loan or Demonstration Agreement Form," before requesting equipment from a Vendor which costs more than \$5000, and will be tested and evaluated for more than five days.

Thank you for your consideration and assistance.

Protocol for Obtaining Equipment on a Trial Basis

The University of Iowa Operations Manual

Division V., Administration, Finance & Facilities, Chapter 11: Purchasing Loan, Demonstration or Evaluation and not owned by the University

Purpose: To establish guidelines for accounting for equipment which is on trial, loan, demonstration or evaluation from a Vendor and not owned by the University.

Source: The University of Iowa Operations Manual

Policy: Equipment requested by University Departments from Vendors on a trial, loan, demonstration or evaluation basis does not constitute a commitment to purchase said equipment. The Purchasing Department shall be informed by the requesting Department before any equipment with a fair market value exceeding \$5000 is to be tested and/or evaluated for more than five days.

Vendors who desire to make arrangements for demonstrations of their product or equipment must coordinate these plans with the appropriate Purchasing Department personnel. The individual receiving the equipment must submit a completed **“Equipment on Loan Agreement Form”** to the Purchasing Department prior to accepting the equipment for demonstration/testing/evaluation.

User department personnel should not indicate to Vendors that the loan, demonstration, testing or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase said equipment. Competitive purchasing processes shall be used as required by University policies and procedures. If the Vendor who loaned the equipment is the successful Vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.

All moving, handling, transportation and applicable installation costs associated with the equipment of this nature are the sole responsibility of the Vendor. The University will not incur any costs associated with equipment on trial, loaned, demonstrated, tested or evaluated.

In the event of a loss, the department shall contact Risk Management for instructions and claim forms.

Under normal circumstances, zero dollar purchase orders for trial basis equipment will not be issued by the Purchasing Department.

National Association of Educational Procurement CODE OF ETHICS

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its members, NAEP has long promoted a code of ethics.

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

Anti-Kickback Regulations

United States Code Annotated

Title 41 Sec. 51-58 - Anti-Kickback Act of 1986

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+41USC51

Code of Federal Regulations

Title 29 Sec. 3.1 et seq. - Kickbacks and Federal Funding

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=cbdd400d2856800d1885f77594097ded&tpl=/ecfrbrowse/Title29/29cfr3_main_02.tpl

The State Code of Iowa

Iowa Code Chapter 68B - Conflicts of Interest of Public Officers and Employees

<http://www.legis.state.ia.us/IACODE/2003SUPPLEMENT/68B/2A.html>

The Iowa Administrative Code

Chapter 681-8.9 - Prohibited Interest in Public contracts

<http://staffweb.legis.state.ia.us/iachtml/681.htm>

The Board of Regents Policy Manual

Sec. 4.39 Conflicts of Interest of Public Officers and Employees

<http://www2.state.ia.us/regents/Policies/Chapter%204/chapter4.39.htm>

Conflict of Interest - Sales and Purchases and Prohibited Interest in Public Contracts

<http://www2.state.ia.us/regents/Policies/Chapter%207/chapter7.07.htm>

The University of Iowa Operations Manual

Chapter 1.3 - Other Accounts <http://www.uiowa.edu/~our/opmanual/v/01.htm#13>

Chapter 5 - Policy and Procedures on Gifts, Grants and Contracts www.uiowa.edu/~our/opmanual/v/05.htm

Chapter 18 - Conflict of Interest www.uiowa.edu/~our/opmanual/ii/18.htm

Chapter 11 - Purchases from Staff www.uiowa.edu/~our/opmanual/v/11.htm#1115

Accounts Payable, Purchasing, Travel and Procurement Staff

For current up to date staff listing, see www.uiowa.edu/~purchase/purchase/AllStaff.htm

University of Iowa Web Home Pages

The University of Iowa: www.uiowa.edu

Purchasing Department: www.uiowa.edu/~purchase/purchase

Accounts Payable: www.uiowa.edu/~fusap/ap

Travel: www.uiowa.edu/~fustd/travel

Procurement Card: www.uiowa.edu/~purchase/PCard

AP/PO PeopleSoft: www.bo.uiowa.edu/~ap-po/web_apps.cfm

Self-Serve Center: <http://hris.uiowa.edu/selfservice/>

Purchasing Agent/Commodity Assignment List

We have included commonly ordered commodities and their associated Purchasing Agents. Please see the following pages and contact them if you have questions.

- [Commodity by Purchasing Agent](#)
 - [www.uiowa.edu/~purchase/purchase/For Faculty_Staff/agt_commodities.htm](http://www.uiowa.edu/~purchase/purchase/For_Faculty_Staff/agt_commodities.htm)
- [Quick Search by Commodity, Agent or Code](#)
 - [www.uiowa.edu/~purchase/purchase/For Faculty_Staff/BuyerCatCodes.htm](http://www.uiowa.edu/~purchase/purchase/For_Faculty_Staff/BuyerCatCodes.htm)

INTERDEPARTMENTAL SERVICES

The following is a list of some departments that provide goods and services to other departments on campus. Remember that Interdepartmental Requisitions do not flow through the Purchasing Department, so all questions should be directed to the department providing the service. Since departments do not always have access to the ship-to codes mentioned earlier, please include any ship-to information in the body of an interdepartmental requisition. This will help ensure that the material or service is delivered to the correct destination. Although Interdepartmental Requisition forms are used for most interdepartmental transactions, note that General Stores and Material Services Processed Stores require the use of their own order forms. See Appendix I, page 61 for information on obtaining forms.

Biochemistry Stores	5-7927	Iowa Memorial Union	5-3055
Bioengineering	4-8339	ITS Information	4-0800
Chemistry Stores	5-1378	Data/Phone Services	5-2945
Copy Center-Document Services	4-3700	Medical Instrument Shop	5-9840
Daily Iowan	5-5786	Motor Pool	4-0564
Facilities Services		Printing	4-3700
Operations & Maintenance	5-5071	Rental Pool	4-3922
Design & Construction	5-1283	Travel	5-0114
General Stores	4-3900		

Training Classes & Programs

Purchasing and Accounts Payable/Travel Departments offer a variety of classes for those who are responsible for various procurement and payables processes. These classes are highly recommended for all Requesters. Check our Purchasing Accounts Payable, Travel and Procurement Card Training Web pages ([Appendix F](#))

PROCURE TO PAY TRAINING

Provides an overview of the purchasing and accounts payable processes and includes information on **e-Voucher** and **PREqs** which are used in ordering and paying for products and services on-line. It is intended for new requesters but open to anyone interested in a refresher course. Classes are offered on a monthly basis. When a new requester number is applied for the instructor will contact you regarding attending the next class.

PROCUREMENT CARD PROCESS

Training is designed for all new cardholders, as well as any current cardholders or their reconcilers who need a refresher on the Procurement Card guidelines. Training also includes thorough instructions on how to use the Procurement Card Web Application, to access transactions, reconcile vouchers and create reports. Even if you do not plan to reconcile your own transactions, you are expected to be able to view your transactions and account information. For the Procurement Card Policy Manual see www.uiowa.edu/~purchase/PCard/procurement/manual/PCtoc.html

PROTRAV

ProTrav training provides information on how to use the new on-line application for processing travel eforms which include creating trips, travel expense vouchers, routing through workflow and reconciling travel on the Procurement Card. An interactive on-line tutorial is available to acquaint you with the ProTrav Web Application at www.uiowa.edu/~fustd/travel/ProTrav.htm

Glossary of Terms

Accounts Payable and Travel: This department processes payments for all transactions and produces the checks that are sent to all vendors. They also process travel expense vouchers, process payments for meeting registrations, issue travel advances, and maintain records of payments and vouchers.

ACH: Automated Clearing House. It is a highly reliable and efficient nationwide batch-oriented electronic funds transfer system governed by the NACHA OPERATING RULES which provide for the inter-bank clearing of electronic payments for participating depository financial institutions.

AP/PO: PeopleSoft web applications with vendor search, purchase order report, invoices applied to PO, payment status, voucher report, and PeopleSoft DSS.

Blanket Order: A purchase order from which goods and services are purchased over a given time period rather than in a single transaction. Some examples include a maintenance agreement for a photocopier, an order for a case of light bulbs to be delivered on the first of each month or an order to repair computer equipment as needed.

Buyer: Purchasing Agent who approves orders.

Confirming Order: Any order that has been placed with a vendor but not yet completed by issuance of a Purchase Order, payment or other process.

Conflict of Interest: A conflict between the private interests and the official or professional responsibilities of a person in a position of trust.

EDI: Electronic Data Interchange, the computer-to-computer transmission of standardized business data.

Encumbrance: A University accounting method that reserves funds from a department's budget for an anticipated expenditure. Funds are encumbered when a purchase order is issued.

E-Pro: New e-procurement web based application consisting of e-voucher and PReq application with a link to ProTrav.

e-Voucher: An on-line electronic voucher used for non-purchase order vouchers only. It is also used to make all payments to research subjects, including payments previously processed through payroll.

Expenditure: A University accounting method that identifies payments on a department's budget.

Grant Accounting: The department that monitors compliance with regulations for funds received through the Federal and Non-Federal Grant processes.

High-Dollar Buyer: See Purchasing Agent

Internal Requisition: Inter-departmental transaction of goods or services.

Invoice: A bill listing products or services sent to a purchaser itemizing prices, quantities, shipping charges and requesting payment. Also provides vendor name and remit to address.

ITS: Information Technology Services supplies departments with computer access, information and support to the University mainframe operations.

Low-Dollar Buyer: Enters Requisitions into the PeopleSoft system, approves and creates Purchase Orders under \$5000. Also known as the PReq/PO Team.

Low Dollar Transaction: Purchases of items costing less than \$5000 that are not taggable equipment by the processing of a Non-Purchase Order Voucher and Invoice form rather than a Purchase Order. Examples include magazine subscriptions, membership dues and fees.

MFK: The Master File Key is a system of codifying accounting data such as funding, Federal and state classifications, use of funding, responsibility, etc. Fields for entering these codified data appear on most of the forms used in the purchasing and payment processes. Departments can customize certain areas of the MFK to further detail their income and expense reporting.

Non-Purchase Order Transaction: Any purchasing transaction that is handled without the issuance of a Purchase Order. Often these payments are for low dollar transactions, fees, membership dues, or other intangible items.

Non-Purchase Order Voucher and Invoice: This Voucher form is originated by the ordering department and is used for non-purchase order payments of products and services. *(Paper form phased out)*

PeopleSoft: The business financial software system being used by Purchasing and Accounts Payable.

PeopleSoft DSS: PeopleSoft Decisions Support system to obtain access to PeopleSoft tables through MS Access.

Prepayment: A transaction in which payment is sent with the order. For orders less than \$5000 the department must complete a Non-Purchase Order Voucher and Invoice with price verification attached for Accounts Payable to generate a check.

PReq: An on-line electronic purchase requisition used by the requesting department when ordering products and services from external vendors. This generates a Purchase Order.

PReq Item Field: This NEW field in PReq production allows for departments to have Purchasing enter items being purchased from vendors into a maintained data base. Items in the data base can be purchased by simply entering the UI ID# associated with the Item.

Procurement Card: The University of Iowa Procurement Card is a primary vehicle for low-dollar transactions (under \$3000) including Travel related expenses.

ProTrav: New on-line application for processing travel e-forms which include creating trips, travel expense vouchers, routing through workflow and reconciling travel on the Procurement Card.

PSA: Professional Services Agreement.

Purchase Order: This form is the official document authorizing the purchase of products and services.

Purchasing Agent: Reviews high-dollar Requisitions (over \$5000), determines if bids are required, selects vendors. Reviews Requisitions for appropriate language, adherence to the Commercial Code, University, State and Federal regulations. Creates and reviews RFQs as necessary; and negotiates contracts with vendors. Also known as High-Dollar Buyer.

Purchasing Department: This department processes Requisitions from all University departments, creates Purchase Orders, solicits bids, contracts for goods and services, maintains the Vendor Database.

Purchasing Team: Enters Requisitions into the PeopleSoft system, approves and creates Purchase Orders under \$5000.

Requester: The person or persons in each department who work directly with Accounts Payable and Purchasing to facilitate the procurement and payment process. They are assigned unique requester codes (Origin Codes). They may be contacted by Purchasing, Accounts Payable, or the vendor if there is a question about an order.

Requisition: This form is used by the requesting department when ordering products and services from external vendors. This document generates a Purchase Order.

Requisition Number: A 10-digit number identifying your Requisition. The first digit will always be a “1” and is included on the pre-printed Requisition form. The next four digits are the department number of the ordering department. The next five digits are unique numbers assigned by the department.

RFI: Request for Information. The process by which The University solicits information about good and services from vendors.

RFQ: Request for Quotation. The process by which The University solicits bids or offerings from vendors for goods and services as specified in the RFQ document. This document details the items needed and the conditions of the purchase.

RFP: Request for Proposal. A formal, written instrument used for awarding contracts to vendors based on factors in addition to price, including, but not limited to, assessment of the vendor’s capabilities, performance, support, service, maintenance, etc. The University uses a statistical assessment method based on these factors as the standard for awarding a contract.

Sole Source: There are many instances where there may be only one vendor from whom specific goods and services may be obtained. A Purchasing Agent works with the requester to identify these instances, and together they document the reasons for utilizing this vendor rather than requesting vendors to bid through the RFQ process.

Sole Source Form: The form used to determine that the necessary criteria are met to obtain goods or services without using the RFQ process.

Vendor: Name of a company or individual supplying goods or services.

Vendor Application Form (VAF): The combined U of I Vendor Application form used to obtain data from vendors about their businesses, and the IRS W-9 form used for information required by the Federal Government, such as Tax Identification Numbers. This form must be received from vendors before they can be added to the Vendor File.

University of Iowa Non-Discrimination Statement

The University of Iowa prohibits discrimination in employment, educational programs, and activities on the basis of race, national origin, color, creed, religion, sex, age, disability, veteran status, sexual orientation, gender identity, or associational preference. The University also affirms its commitment to providing equal opportunities and equal access to University facilities. For additional information contact the Office of Equal Opportunity and Diversity, (319) 335-0705.

Affirmative Action and Equal Employment Opportunity Statement of Policy and Purpose

The University of Iowa is committed to the principle of equality of opportunity for all persons. The purpose of the Affirmative Action Program is to reaffirm and ensure that this principle is applied to the recruitment, appointment and promotion of persons in all employment classifications. The University of Iowa will continue to comply with federal and state regulations and to work cooperatively with governmental and community organizations in ensuring equal employment opportunities and affirmative action.

Statement on Diversity

The University of Iowa values diversity among students, faculty, and staff, and regards Equal Employment Opportunity and Affirmative Action as tools to achieve diversity. The University believes that a rich diversity of people and the many points of view they bring serve to enhance the quality of the educational experience at The University of Iowa.