



Applies to: All individuals involved in approving, making, or recommending purchases of goods or services.

Responsible Office

Business and Finance

POLICY STATEMENT

The policy guidelines set forth in this document are intended to ensure compliance with the guidelines set forth by the State of Ohio Revised Code, the State of Ohio Administrative Code, and the college's Board of Trustees for all authorized college funded purchases.

Purpose of the Policy

To require that all college-funded purchases are authorized and in compliance with applicable federal, state, and local laws and regulations, as well as college rules and policies.

Definitions

Table with 2 columns: Term, Definition. Rows include Blanket purchase Order, Competitive bidding, Contract, Invoice, PCard, Purchase order, Requisition, Vendor.

Policy Details

- I. Prior to the purchase of goods or services, the following are generally required: A. Approved purchase method, B. Approved vendor, and C. Authorization
II. Purchases must be for official business only.
III. Purchases must conform to federal, state, and local laws and regulations, and all college policies and rules, with special attention to the Expenditures policy, PCard policy, Travel policy and all other college policies.
IV. Ethics
A. All Purchasing Department employees and all other college personnel authorized to conduct purchasing activities must adhere to the principles and standards of the Ohio Ethics Law, Chapter 102 and Section 2921.42 and 2921.43 of the Ohio Revised Code.
B. Each employee involved in the expenditure of public funds is held to the highest degree of public trust and will abide by the National Association of Educational Procurement's (NAEP) code of ethics:
1. Give first consideration to the objectives and policies of the institution.
2. Strive to obtain the maximum value of each dollar of expenditure.

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3. Decline personal gifts or gratuities.
 4. Grant all competitive **vendors** equal consideration insofar as state and federal statute and policy permits.
 5. Conduct business with potential and current vendors in an atmosphere of good faith, devoid of intentional misrepresentation.
 6. Demand honesty in sales representation, whether offered a verbal or written statement, an advertisement, or a sample of the product.
 7. Receive consent from the originator of proprietary ideas and design before using for competitive purchasing purposes.
 8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a vendor, and/or be willing to submit any major controversies to arbitration for other 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.
- V. College employees are prohibited from accepting gratuities, premiums, or other items of substantial value from vendors. Employees must not accept any item from a vendor that has more than de minimis value or is offered on a reoccurring basis.

PROCEDURE

- I. Procuring goods and services with a **requisition**.
 - A. A requisition is created prior to the order being placed. A requisition is not an authorization to place an order. Orders may not be placed prior to the creation and release of a **purchase order**.
 - B. A purchase order will be created for a one-time order by the Purchasing Office once all requisition approvals are in place. The purchase order is sent to the vendor by Purchasing Department staff.
 - C. A **blanket purchase order** will be created once all requisition approvals are in place if goods and services are recurring within a fiscal year with a specific vendor.
 - D. For a blanket purchase order where monthly billing of goods or services varies, the invoice must be approved by appropriate department representative prior to payment.
 - E. Blanket purchase orders may not exceed bid limits for services except for the following items:
 1. Utilities
 2. Reoccurring payments on leases or mortgages
 3. Other items as deemed necessary
- II. Procuring goods and services with a Procurement Card (**PCard**)
 - A. With appropriate authorization, general use PCards may be checked out from the Purchasing Department for small dollar purchases. Select college departments may be assigned PCards specific for their needs. Unique needs and overall spend are primary factors in determining such instances.
- III. Reimbursements
 - A. Reimbursement to individuals for purchases made with personal resources is not a standard purchasing method but may be permitted in specific circumstances.
 1. If an employee pays another individual to provide services, the college will not reimburse the employee for these expenditures.
 - B. Items which may be reimbursed:
 1. Business-related meals when a college PCard is not available
 2. Travel-related expenses with pre-approval
 3. Low-cost emergency business supplies

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- C. Sales tax is not refundable unless part of travel.
- IV. Tax-exempt status
 - A. The college is tax exempt. A blank tax exempt form may be found within the Purchasing forms.
- V. **Invoices**
 - A. Invoices are matched with purchase orders and other related documentation to create an authorization for payment. Invoices that match purchase orders exactly and are \$1,000 or less will be paid upon receipt of invoice. No other approvals are necessary.
 - B. Vendors should send invoices directly to Accounts Payable at cotcinvoices@mail.cotc.edu unless otherwise noted on the purchase order. Any department receiving an invoice should submit it directly to Accounts Payable. If it does not meet the requirements above (section V.A.) the invoice must also have a signature and authorization ("OK to Pay").
- VI. **Competitive bidding**
 - A. The Purchasing Department has a responsibility to solicit bid requirements from two or more suppliers when the estimated value of the requested purchase is \$25,000 or greater for goods (equipment, materials, supplies) or \$50,000 or greater for services, unless the items can be obtained under existing contracts. The Purchasing Department may bid any request regardless of the dollar amount when, in their judgment, it best serves the college. Purchasing Department staff will determine the best method for solicitation.
 - 1. Request for Quotation (RFQ) - An RFQ is used to solicit pricing for requested goods or services.
 - 2. Request for Proposal (RFP) - An RFP is used to solicit vendors and to provide a more customized response. The vendor response generally includes pricing, proposed implementation plan, and timeline for delivery of goods or services.
 - 3. Request for Information (RFI) - A RFI is used to seek general information about prospective vendors' capabilities and their services or goods. No award is usually made from this process.
- VII. Waiver of competitive bidding
 - A. The college secures goods and services competitively wherever applicable. The Vice President of Business and Finance and Purchasing Manager may waive competitive bidding and approve waiver request(s) when justified. This authorizes the Purchasing Manager to purchase goods, or services that exceed the bid thresholds without competitive bidding. The following are reasons to consider granting a waiver of competitive bidding:
 - 1. Sole Source - There is not another company that provides goods or services similar to the requested purchase; the request for goods or services is unique in design, performance, or user specification.
 - 2. Emergency - The goods or services are needed to correct or prevent an emergency repair or replacement of existing equipment essential for daily operation.
 - 3. Economics - Procurement relieves the college of potential additional expense that will result from not making a purchase; use of another vendor would require considerable training, time and money to evaluate; the goods or services are used in on-going, long-term projects; and/or the product or services offered is at a substantial discount due to current market conditions and price structures.
- VIII. Authorization for procurement
 - A. Signing authority
 - 1. In general all Unit Budget Managers (UBM) have the authority to approve requisitions within specific guidelines set by the Business and Finance Office.
 - 2. Senior administrators have approval or signing authority up to \$10,000 for items within their budgetary supervision.
 - 3. Requisitions above \$10,000 require approval by the President.
- IX. Special approvals review
 - A. The following purchases require additional approvals:
 - 1. Advertising (except classified advertising): Director of Marketing and Public Relations
 - 2. Classified advertising and temporary employment services: Director of Human Resources
 - 3. Computer equipment/software and telephone equipment and services: Office of Technology and Digital Innovations



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4. Construction: Project Manager and Vice President of Business and Finance
 5. Entertainment **contracts** for community events: Director of Marketing and Public Relations
 6. Equipment leasing: Vice President of Business and Finance
 7. Insurance (Risk Management): Vice President of Business and Finance
 8. Off-campus lease space: Vice President of Business and Finance and President
 9. Signage and any graphics referencing Central Ohio Technical College in written form or logo: Director of Marketing and Public Relations (or designee) and Project Manager (signage only)
 10. Video Production: Director of Marketing and Public Relations
 11. Alcohol - ONLY with prior approval by President
- X. Special buying considerations
- A. Products and services of persons with severe disabilities
 1. Sections 4115.31- 4115.35 of the Ohio Revised Code direct state entities to use a qualified non-profit state agency for the purchase of products and/or services which are available from a work center employing persons with disabilities.
 - B. Products by the labor of convicts of state correctional institutions
 1. Section 5147.07 of the Ohio Revised Code directs state entities to purchase products manufactured by the labor of convicts of state correctional institutions unless the Department of Administrative Services, in consultation with the Department of Rehabilitation and Corrections, determines that the articles or supplies cannot be furnished and issues a waiver.
 - C. Minority and small business development
 1. COTC maintains a commitment to encourage business opportunities and diversity among its vendors.
- XI. Contracts
- A. Contracts must be reviewed for insurance liability, budgetary considerations, determination/coordination of legal opinion from appropriate attorney of record, and inclusion or deletions of appropriate language by the Purchasing Manager. Contracts are authorized by the Vice President of Business and Finance or the President after review by the Purchasing Manager.
 - B. The only authorized signers of college contracts and/or agreements are the Vice President of Business and Finance and the President.
 - C. The Purchasing Department encourages use of contracts as follows:
 1. COTC specific agreements
 - a. Specific to the unique needs of the college
 - b. Examples include consultants, media buys, contractors, etc.
 2. Inter-University Council Purchasing Group (IUCPG) price agreements
 - a. The IUCPG is a buying consortium commissioned by the Ohio Department of Higher Education. Its members represent state institutions of higher education in Ohio.
 3. State of Ohio contracts
 - a. Available for use by State of Ohio agencies. State of Ohio contracts may be researched by the Purchasing Department and may not eliminate the need for bidding above thresholds.
 4. Educational and Institutional Cooperative (E&I) contracts
 - a. A national consortium comprised of colleges and universities. Provides for competitively bid contracts.
 5. Other buying cooperatives/consortiums as reviewed and approved by the Purchasing Manager.
- XII. Renovations/construction
- A. The college defines construction as building maintenance, repair, renovation and new construction. This may include changes in walls, doors, electrical, plumbing, heating, venting, air conditioning systems, site work, etc.
 - B. Renovation projects are subject to the same bid limit of \$50,000.
 - C. Bids for construction projects are processed by the Project Manager and include requests for State of Ohio Minority Business Enterprise (MBE) and Encouraging Diversity, Growth and Equity (EDGE) certification.

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- D. The Vice President of Business and Finance or designee is responsible for monitoring contract costs associated with renovation and construction. Changes to contracts will be coordinated with the Vice President of Business and Finance.
- E. Prevailing wages
 - 1. Chapter 4115 of the Ohio Revised Code relating to the payment of prevailing rates of wages on public improvements states that prevailing wages must be paid on reconstruction, enlargements, alteration, repair, remodeling, renovation or painting projects. Current rates are determined by Ohio Department of Commerce Bureau of Wage and Hour Administration. The Project Manager will monitor compliance for the college in all public improvement projects.
- F. Contract compliance
 - 1. The Project Manager and the Purchasing Manager will monitor all construction contracts to ensure compliance with state and federal laws regarding affirmative action.
- XIII. Receiving Department and courier services
 - A. The Receiving Department serves as central receiving and distribution for inbound shipments. All packages delivered to college will be opened and delivered to the appropriate person/department. Upon receipt of goods, it is the responsibility of the person/department to verify contents of the package(s).
 - B. The Receiving Department is responsible for expediting replacement shipments and filing claims for damaged shipments.
 - C. Courier service is available as follows:
 - 1. The courier's primary focus is inter/intracampus deliveries. This includes delivery of packages, supplies, and equipment to various offices across all COTC campuses and the OSU Columbus Campus. Special delivery requests (paper, items from storage, etc.) will be completed in two to three working days.
 - 2. The courier travels to Coshocton, Mount Vernon, Pataskala, and the OSU Columbus Campus weekly.
 - 3. The courier may be able to assist with other local pickup or deliveries for the college with a one-week notice.
 - D. With sufficient notice, requests may be made to the Shipping/Receiving and Assets Coordinator and/or to the courier for additional services.
- XIV. Independent contractor vs. employee relationship
 - A. All individuals providing services to the college must be paid directly by the college and be appropriately identified as an employee or independent contractor. Policies that determine the difference between an employee and an independent contractor are based on case law and Internal Revenue Service (IRS) interpretation.
 - B. The Ohio Public Employees Retirement System Non-Member Acknowledgement form must be completed to determine if an individual is an independent contractor or an employee.
 - C. If workers are incorrectly classified as independent contractors, the IRS can impose fines and penalties for uncollected taxes, including income taxes and social security taxes. Consequently all non-employee arrangements should be clearly documented, and the documentation maintained in the vendor database. The following list identifies some situations when an individual could be an independent contractor:
 - 1. Infrequent guest performance or artists not affiliated with the college.
 - 2. Guest speakers or lecturers with a particular expertise brought in on a short-term basis.
 - 3. Individuals providing professional services such as attorneys, accountants, and other technical or administrative experts.
 - D. Final determination of employee vs. independent contractor status will be made on a case-by-case basis by the Assistant Director of Business and Finance.
- XV. Policy violations
 - A. The college may require successful completion of training.
 - B. The college may enforce corrective action up to and including termination, in accordance with applicable college policies and rules.
 - C. The college may seek restitution, as appropriate.
 - D. Criminal charges may be filed, as appropriate.



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Responsibilities

Position or Office	Responsibilities
Accounts Payable/ Accounting	Process invoices and payments for expenses incurred by the college.
Employees	<ol style="list-style-type: none"> 1. Review all applicable policies to understand and comply with expectations. 2. Submit completed Vendor Information Forms to have new vendors added to the database.
President	<ol style="list-style-type: none"> 1. Approve expenses over \$10,000 and off-campus leases. 2. Approve purchases involving alcohol.
Purchasing Office	<ol style="list-style-type: none"> 3. Review expenses for compliance with laws, regulation, and policies. 4. Approve requisitions for procurement of goods and services. 5. Dispatch purchase orders to vendors. 6. Review contracts prior to authorization. 7. Maintain, oversee and facilitate PCard program. 8. Facilitate competitive bidding, bid waivers, purchases from cooperative agreements, and assist with all other procurement activity. 9. Add vendors and maintain a current vendor database.
Vice President of Business and Finance	Approve expenses over \$3,000, off-campus lease space, and authorize contracts after review by the Purchasing Manager.

Resources

COTC Sales and Use Tax Exempt Form

COTC Vendor Information Form

Ohio Public Employees Retirement System Non-Member Acknowledgement Form

All forms are located on the Business and Finance Documents webpage.

Contacts

Subject	Office	Telephone	E-mail/URL
General policy questions	Purchasing Office	740-366-9233	Sibert.13@osu.edu
Accounts Payable/Accounting Questions	Accounting Office	740-364-9694	Willey.53@mail.cotc.edu

History

Issued: Unknown

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