



PURCHASING
PRINCIPLES AND
GUIDELINES
FOR
Goods and Services

Revised: September 30, 2016

National Association of Educational Procurement: 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 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.

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I.

MISSION STATEMENT

The Purchasing and Materials Management Department is a service center for the entire College Community that provides the identification, acquisition, access, positioning, and management of resources and related capabilities that the College needs or potentially needs in the attainment of its strategic goals and objectives. In addition, we strive to get the **most** and the **best** goods and services for the **least** cost to the College. We also endorse and commit to the National Association of Educational Procurement Code of Ethics.

The following pages outline guidelines and information relating to Purchasing operations. Contact the Director of Purchasing and Material Management at 513-569-1590 if you have any questions regarding these guidelines.

II.

GUIDELINES FOR CINCINNATI STATE

PURCHASING CODE OF ETHICS

The responsibility for procurement of supplies, equipment, and services for the operation and development of Cincinnati State Technical and Community College [hereafter referred to as “the College” or “Cincinnati State”] is assigned to the Department of Purchasing and Material Management [hereafter referred to as the “Purchasing Department”] in the Finance area. This is the only Department authorized to make commitments of College funds. Any orders placed by other employees are a personal financial obligation rather than a commitment of any resources administered by the College.

The Purchasing Department, along with the College, abide by the Conflict of Interest Section 2912.42 of the Ohio Revised Code, which states that “No Public Official shall knowingly authorize or employ the authority or influence of his office to secure authorization of any public contract in which he, a member of his family or any of his business associates has an interest”.

Cincinnati State considers its suppliers, some of which are graduates and many are employers of our students, to be valuable assets. The Purchasing Department considers past performance and cooperation with the College when selecting suppliers. Every effort is made to locate and purchase from U.S. sources, Ohio sources, Handicapped, Penal Institutional and neighboring state sources.

The Cincinnati State Purchasing Department has a responsibility to the tax-paying public as well as to its students, faculty, and staff to conduct its business fairly and in accordance with State regulations and Board of Trustees policy, and to obtain the **most** and the **best** goods and services for the **least** cost to the College.

Some suppliers may offer a free gift with an order. Personal acceptance of any gift in conjunction with a purchase is inappropriate and, therefore, prohibited. After the Purchase Order has been issued, any voluntary act of a supplier to donate supplies, extended warranties, or related items for the benefit of the College can be accepted for College use only.

Personal purchases cannot be made through the Purchasing Department, nor will they be authorized if made in the name of Cincinnati State.

Prices are compared on **all** orders, including those which do not require a sealed bid.

The Purchasing Department screens requisitions received so that no intentional splitting/pyramiding of requisitions is done in an attempt to avoid the bid process or proper level of approvals.

PURCHASING DEPARTMENT GENERAL OPERATING PROCEDURES

Because a Purchase Order is a legal document between a supplier and Cincinnati State, it is important that the Purchasing Department understand every purchase. Even though adequate money may be in the budget for a Department, the Purchasing Department has the responsibility to question the appropriateness of every purchase request. Factors involved in determining the appropriateness of a purchase request include policy, safety and practicality.

It should be noted that every purchase requisition lists a “suggested vendor.” Even on orders that do not require bidding, the Purchasing Department still has the obligation to make price comparisons and to change the supplier/source when appropriate. All initiators will be notified when their order is sent to a source other than the one suggested.

The breaking up of a purchase into individual requisitions in order to avoid the bidding or approval process, commonly known as “pyramiding”, is prohibited.

The Purchasing Department has established, and will maintain, standards in furniture, chairs, etc. so in the event that a mix of furniture is necessary, it will still be compatible. Safety in seating and fire codes in carpeting and draperies are also considerations. Window treatments must be in keeping with the general decor.

The Purchasing Department reserves the right to question the appropriateness and/or reject any requisition. Initiators and the Purchasing Department will work together to resolve problems. In unusual circumstances, the Purchasing Department may request an additional level of approval and signature.

The Purchasing Department is the sole agency authorized to make commitments against College accounts for buying purposes.

GOODS, SERVICES, SUPPLIES, AND EQUIPMENT

All funds deposited with the College, regardless of source, are College funds and must be handled in accordance with College policy. Although Departments are allocated funds in their budgets, this allocation is only an authority to requisition, not to purchase.

Equipment left on loan or trial must be cleared through the Purchasing Department. A description of the on-loan or on-trial equipment, including serial number, reason for and length of loan, and the supplier’s Federal ID number, must be on signed company letterhead. Cincinnati State is not responsible for the loss or damage of any equipment on loan or trial.

Any order not placed by Purchasing is considered to be a personal financial obligation rather than a commitment of any College resources. Only members of the Purchasing Department are authorized to approve the phoning of orders.

No commitment (including letter of intent), either expressed or implied, can be made by any College personnel other than the Director of Purchasing and Materials Management or Senior Director of Purchasing and Materials Management.

Personal purchases **cannot** be made through the Purchasing Department, nor will they be authorized if made in the name of Cincinnati State.

Because Cincinnati State is not a supplier, we cannot buy any item at discount for resale to faculty, staff, or students. The resale of any item would violate our contract with the College Bookstore and also our tax exempt status.

Because the College's fiscal year ends on June 30th, it is necessary to pre-plan in order to have all purchases received before June 30th. Requisitions should be received by the Purchasing Department before the first week in May; only emergency orders, to be determined by the Director of Purchasing, will be processed after that time. Note that requisitions requiring additional lead time, such as furniture, must be ordered well in advance, as the **date the order is received** will determine which fiscal year will be charged.

MINORITY BUYING

The Purchasing Department makes every effort to locate and buy from Minority Business Firms registered with the State of Ohio. A Registered Minority Business Firm is defined within Ohio as a firm in which the controlling ownership is Black, Hispanic, Female, Asian, Alaskan Native, or Native American.

The Purchasing Department strives to increase its Minority buying by participating in Minority programs and seminars. Through contacts at other colleges and especially the Inter-University Council members, there is a sharing of information regarding Minority dealers.

III.

GUIDELINES FOR BIDDING PROJECTS

GENERAL GUIDELINES FOR BIDDING PROJECTS

In accordance with the authority delegated by the College President and the Board of Trustees to the Vice President of Finance, the competitive procurement of supplies, equipment, and services necessary for the operation of the College has been made the responsibility of the Purchasing Department.

The Purchasing Department is the only Department authorized to conduct bidding procedures. All competitive bids will be solicited and maintained by the Purchasing Department. Price quotations and comparisons obtained by individual staff or faculty, regardless of their source, are **not acceptable as formal bids**.

In compliance with Ohio Revised Code Section 3345.10, printing contracts will be awarded to only those suppliers with a manufacturing facility within the State of Ohio. Only if the required printed products are not available from a supplier which has manufacturing facilities in Ohio may the purchase be made from an out-of-state supplier. The Purchasing Department reserves the right to require bidders to submit a signed certification that they have a manufacturing facility in the State of Ohio before a contract is awarded.

Bidding for many items has already been conducted in a cooperative-type environment. Contract pricing through the State of Ohio, Government Service Agency (GSA), the Ohio Inter-University Purchasing Council (IUC), Educational and Institutional Coop (E&I), National Joint Powers Alliance (NJPA), Greater Cincinnati Hospital Council (GCHC), US Communities, and any contract led by Ohio State University need not be re-bid.

The bidding process begins with the initiator supplying complete and concise specifications to the Purchasing Department at least three (3) weeks before results of the bid are needed. If specifications are so written that only one source could respond, the Purchasing Department is free to include the following statement on the bid: "Suggested specifications follow, but bidders are not limited to them". Initiators are welcome to submit the names and addresses of suppliers to be included in the bidding, and the Purchasing Department is free to add suppliers to this list as needed. Suppliers are selected from professional sources, reference directories, and periodical files maintained by the Purchasing Department. Requests to be placed on any bid list are processed by the Purchasing Department in an expeditious manner. Our goal is to send bids to a minimum of three (3) qualified suppliers. Original copies of all bids sent to suppliers are filed and stored in the Purchasing Department. Suppliers are normally given ten (10) working days to respond to a bid. All bids are dated and returned via mail or hand carried to the Purchasing Department. The opening of bids is public. If the low bid is not selected, a written signed document as to why the low bid was not selected will be retained in the solicitation file. Any protest of an award should be made within 5 business days of the award directly to the Director of Purchasing at (513) 569-1590. Verbal protests alone are insufficient and will not warrant further investigation. All letters of protest must contain a statement of facts and reasons

which form the basis of the protest. Vendors are assured that the lodging of any written protest is promptly investigated and respectfully answered.

Departments needing items that require being bid should contact the Purchasing Department for consultation, or submit detailed specifications along with their purchase requisition. The input of the requesting Department is essential for the accurate identification of the items. Early submission of this information is likewise essential to allow the supplier ten (10) working days to respond.

Departments may communicate with suppliers as they develop their specifications. A copy of any written communication should be attached to the requisition. Any verbal communication between department and supplier which contains significant information should be briefly explained in writing and also attached to the requisition.

Due to the nature of an item, or its need to be compatible with existing equipment, there may be only one source available from which to purchase the item. A special form, "Single Source Purchase Justification", showing documentation from the requisitioning Department, including signatures of the Dean or Department Head must be completed and will be used as formal documentation. An example of compatibility would be adding computers to an already existing lab. In the event that compatibility is not the reason for using a "sole source" supplier, a written explanation must accompany the requisition on the Sole Source Form, including a list of suppliers contacted in an effort to find a comparable item. *(See Exhibit A.)*

Purchasing reserves the right to obtain competitive quotations, regardless of dollar value, whenever the Purchasing Department feels that quotations may best serve the interest of the College.

The Purchasing Department reserves the right to reject any or all bids whenever, in the opinion of the Director of Purchasing, the action will be in the best interest of the College. This normally results in the issuance of a re-bid.

A purchase does not **always** result from a bid; the main purpose of bidding is to obtain the **most** and the **best** goods and services for the **least** cost to the College.

BOARD OF TRUSTEES' RESOLUTIONS

Per the Board of Trustees resolution 80.46 to 80.48, any requisition of \$5,000 or more must be competitively bid unless bought from a State of Ohio, Government Service Administration (GSA), Inter-University Council (IUC), Educational and Institutional (E&I), National Joint Powers Alliance (NJPA), US Communities, or Greater Cincinnati Hospital Council (GCHC) contract. The intentional dividing of a purchase by submitting multiple requisitions for a supplier (commonly known as "pyramiding") in an attempt to avoid the bidding process is **prohibited**.

SOLE SOURCE JUSTIFICATION

The Board of Trustees, through resolutions 80.46 to 80.48, approved the waiving of the College's bidding procedures under the following conditions:

1. Purchases from existing sources that have already performed the required bidding procedures. These sources include State of Ohio Contracts, when offered by Vendor, Inter-University Purchasing Council and Educational and Institutional Co-op.
2. Emergency purchases represent documented situations which have created an immediate threat to life or damage to the Institution and would result in the closing of the Institution *(See Exhibit A)*.
3. Purchase of a unique need or nature that can only be provided by one source.

A completed Sole Source Justification Form, must be submitted to the Purchasing Department by the initiator. This document will be signed by the initiator and Dean or Vice President. *(See Exhibit A)*.

INFORMAL BIDDING PRICE AND QUALITY COMPARISON PROPOSAL FOR SUPPLIES, GOODS, SERVICES, AND EQUIPMENT

The last portion of the Board of Trustees, resolutions 80.46 to 80.48, is to approve the use of informal bidding procedures to determine supplier selection for one-time purchases not to exceed \$5,000 for supplies, goods, services, and equipment.

NOTE: Purchasing compares prices on all items through phone calls, catalogs, source files, and general information. If a lower price on a comparable item is found, the initiator of the requisition will be notified.

OPENING OF BIDS

Bid openings for construction and goods/services are public. Suppliers are welcome to attend these openings where the bids are read and the prices are noted. The recap of bids and all original copies of bids are stored in the Purchasing Office. Anyone can view these bid files during normal business hours in the presence of Purchasing personnel. Notes may be taken, but no documents may be removed from the files.

PUBLIC BID INFORMATION ACCESS

It is not the policy of Cincinnati State to divulge bid information over the telephone or make copies for distribution outside of the building. However, anyone is free to examine the bid file and make notes, provided it is done in the presence of Purchasing personnel during normal working hours and no material is removed from a bid file. We notify the supplier who was awarded the bid by sending a Purchase Order. All other participating suppliers receive a "Thank You" for participating in the bid process via mail or email. (Purchasing documents/bids are retained for a period of 3 years plus current fiscal year.)***

******This has been changed to 8 years records retention per memo from Human Resources dated November 3, 2014.***

IV. GUIDELINES FOR PURCHASE REQUISITIONS

TIMING

Requisitions must be submitted early enough to permit the Purchasing Department adequate time to complete all necessary procedures and to allow normal delivery time from the supplier. Lead time on furniture is eight to ten (8-10) weeks after the supplier receives the order. Timely submission is particularly important for purchases using special grant funds. Equipment allowed on grant funds must be received by the grant expiration date.

GENERAL SOURCING OF COMMODITIES, SERVICES, AND SUPPLIERS

Price comparisons are made on all items. Buying from E&I, IUC, and State is the first consideration of the Purchasing Department.

The Purchasing and Material Management Department maintains a library of catalogs indexed by commodity and service to assist initiators in sourcing needs.

CATALOGS: An important function of any Purchasing Department is sourcing. The Purchasing Department provides the service of a library of catalogs, located in the Purchasing Office, to all other College Departments. The library is indexed by commodities and services with the ability to search for either the commodity and service by name or the supplier name through a cross index. All catalogs and information are dated so that we may be able to keep current in our search for goods/services.

NAEP AND E&I COOPERATIVE CONTRACTS: For many years, NAEP (National Association of Educational Procurement) and E&I (Educational and Institutional Purchasing Co-op) have been two closely linked, but separate, organizations serving the same constituency. The primary objective of both organizations is to provide needed services to institutional purchasing managers. NAEP addresses their members' professional development needs while E&I provides their members with an avenue for purchasing quality products and services at reduced prices.

E&I is the buying cooperative for higher education. Serving more than 2,000 colleges, universities, and health care institutions, the E&I Cooperative is the largest not-for-profit buying organization of its type in the nation. Similarly to NAEP, E&I helps institutions of higher education and health care utilize their purchasing power more effectively. The Cooperative's unique commitment to the fields of health care and higher education began over 55 years ago and has been growing ever since. With regional offices nationwide, easily accessible through toll-free numbers, and 10 satellite offices, E&I goals are to assist members in taking advantage of the numerous services.

Throughout the year, E&I offers various specials which are available exclusively to member institutions. There are over eighty (80) vendors who work with the Co-op keeping special needs in mind, offering outstanding values in the following categories:

- Furniture
- Computer & Electronics
- Maintenance Supplies
- Food Services (ice machines to refreshment services)
- Office Supplies
- Services (i.e. rental cars, overnight mail delivery, etc.)
- Miscellaneous (ranging from uniforms to fire extinguishers)

Catalogs and contracts for E&I Suppliers are available in the Purchasing Office or through the E&I website.

Orders are marked E&I and discounts are indicated.

IUC CONTRACTS: IUC refers to the Inter-University Council. The members of the IUC are Purchasing Directors in public institutions. Through the power of group purchasing, substantial price savings are realized, generally between 35% and 58%. The Inter-University Council Purchasing Group and the Department of Purchasers for the State of Ohio collaborate in the development of term contracts utilizing the volume requirements to obtain the best possible price structures. In addition to the Council serving to obtain better prices and contracts, the quarterly meetings of Purchasing Directors in the State of Ohio increases their knowledge of purchasing through the exchange of ideas and information. If a supplier fails to perform for an institution, every purchasing director in the State will hear the details. There are 43 contracts of Inter-University Price Agreements maintained on the IUC Member website. Many are multi-supplier awards. For instance, the Data Processing file has over 300 suppliers. The general titles of the contracts are:

- | | |
|-----|-------------------------------------|
| 002 | Dorm Mattresses |
| 003 | Calendar Pads, Bases |
| 005 | Data Processing Equipment |
| 006 | Manila Folders |
| 009 | Large Lamps |
| 010 | Periodicals and Subscriptions |
| 011 | Security Devices/Moveable Equipment |
| 012 | Software |
| 013 | Audio/Visual Video Equipment |
| 014 | Toner Cartridges |
| 015 | Polaroid Film |
| 016 | Repro Paper |
| 018 | Office Furniture |
| 019 | Plastic Bags |
| 020 | Electrical Parts |
| 023 | Vehicle Rental |

024	Ballasts, Floor Lamps
025	Hewlett Packard
026	Hanging File Folders
027	Diskettes
028	Hotel/Motel
029	Projection Lamps
030	Moving
031	Ethyl Alcohol
032	Rubbermaid
036	Lab Equipment
038	Freight Management
040	Lab Chemicals, Etc.
041	Stock Envelopes
043	Book strips

SINGLE SOURCES

It is seldom that a single sole source for a supply exists. Documentation of this type of unique need must be provided to the Purchasing Department by the initiator via the Sole Source Justification Form. The document is signed by the initiator and also the Vice President or Dean. Purchasing will check the validity of the single source document by referring to source files in the Purchasing Department and also checking with members of the Inter-University Council at State schools. This will confirm that indeed the item is a "Single Source" and is justified for a waiver of formal bidding procedures. It should also be noted that even in single source items, Purchasing can send bid forms to a supplier. This is to ensure that we are indeed getting the best price, even if only one supplier is included in the bidding process. (*See Exhibit A*)

COMPLETING THE ELECTRONIC PURCHASE REQUISITION FORM

See Exhibit B

INSTRUCTION AND APPROVALS

The purchase requisition is the authorization for the Purchasing Department to write and place a Purchase Order with a supplier. The purchase requisition will be originated by the person (“initiator”) who intends to use the item. In addition to the General Ledger Account Number and the supplier’s address, the initiator must provide full information in order for the Purchasing Department to function efficiently in obtaining the desired commodities. The initiator must complete the requisition according to the sample (*Exhibit A*). Special guidelines apply for the following purchase requisitions:

- *Liquor* – **No purchase requisition** and/or Purchase Order shall be written to cover the cost of liquor or any other type of alcoholic beverage.

- *Publicity* - All advertising going to newspapers and/or periodicals must have a purchase order number before the copy is sent. The newspapers will use this purchase order number on their invoice so that they can be paid for the ad. Sometimes in advertising it is impossible to have an actual cost figure on an ad until it is measured in type. If this situation occurs, the purchase order number can be assigned and the requisition can temporarily be held in a pending “Hold for Price” file. As soon as a price has been determined, notification should be sent to the Purchasing Department so that the order can be processed.

Any requisition which covers an ad or notice other than a Human Resource request for applicants or request for bids from the Purchasing Department must have the approval signature of the Director of Public Information.

After the initiator has received an approval signature on the requisition, it is then sent to the Purchasing Department. Upon the Purchasing Department's receipt of this requisition, it is then converted to a Purchase Order, approved by the Director of Purchasing, and all copies of the requisition and the Purchase Order are forwarded to their designated destinations.

On Line Purchase Requisitions can also be submitted electronically from the College eform website.

V. GUIDELINES FOR TYPES OF ORDERS AND AGREEMENTS

REGULAR ORDERS

When the need arises in a Department for an item, a requisition is written by the initiator to a “suggested supplier”. The requisition must be completed as outlined in this document and the approval of the expenditure must be made by the Budget Unit Manager. Both the initiator and the Budget Unit Manager must sign this approval, as initials will not suffice. Purchasing will compare prices and process this requisition in a timely fashion. The initiator will receive a blue copy of the Purchase Order which will act as a receiving report on which the initiator will sign-off when the merchandise has been received.

BLANKET ORDERS

Blanket orders are orders set up for a specified time period, not to exceed the fiscal year end date, with an established dollar limit for a specific type of commodity. They are issued to the supplier for a Department which has frequent small goods and supplies needs. A request for a blanket order should be made using the purchase requisition form. Persons authorized to purchase from the order and dollar limits must be identified. Blanket orders will not be issued for any period beyond the current fiscal year.

CHANGE ORDERS

Once a Purchase Order is received and accepted by a supplier, it becomes a binding agreement between the supplier and the College. Changes to this order cannot be made by an initiator's phone call and/or letter. The only persons authorized to request and/or approve any changes with the supplier are Purchasing personnel, through a change order.

Requests for this change order are made on a requisition from the initiating Department referring to the original Purchase Order number and attaching a copy of the original Purchase Order. This becomes a “change order requisition” and must carry the signature of both the initiator and Budget Unit Manager. Reference to this order will then be made by the Purchase Order number and consecutive change order number. The reason for a change order must be explained on the requisition. Change order reasons may include a change of Supplier due to availability of product, cancellation of items, cancellation of entire order by College and/or supplier, or a change in a blanket order amount, incorrect price caused by an employee’s previous order, or an out-dated quote or catalog.

Change orders are **not** designed to replace a new order or to add additional items or quantities. Normally change orders are written to increase or decrease blanket orders. For instance, if a definite order had been written for painting a number of rooms, additional rooms should not be added unless a new order is requested with approval. (*See Exhibit C*)

When a partial shipment is received, it is noted on the blue copy of the Purchase Order if an initiator wishes to sign-off on a partial order and have this paid. At this time, it is the responsibility of the initiator to complete a change order if an item is never going to be sent to complete that transaction. We may have a supplier who is able to supply two items and perhaps the third item is not going to be sent for several months in the future. At this point an initiator may decide to find that third item at another vendor or do without the item which was requested. A change order to that supplier should be completed when that decision is made. The reason is that an open order to a supplier in which two items have been supplied and a third remains listed can be carried by the supplier for time indefinite and supplied several months later when perhaps that item had been purchased from another supplier. Every transaction is to be a completed one. If a partial payment is to be made the initiator must have knowledge that the remaining part of that order will be sent. We refrain from as many partial payments as we can because the Purchase Order, invoice, and receiving report should all match and agree in amount, and at this time the Accounts Payables Department can issue a check and put that transaction away as a finished project.

EMERGENCY ORDERS

Emergency requisitions, resulting only from situations which create a threat to life or damage to the institution, should be hand-carried to the Purchasing Department, with the appropriate approval and documentation of the emergency. Emergency orders will be given top priority and will be phoned or faxed by Purchasing personnel to the supplier for expedited delivery.

CONFIRMING ORDERS

In the case of an emergency order, the Purchasing Department will alter the normal process in order to expedite delivery of the goods or services. A Purchase Order number will be given to the supplier either via phone contact or by fax. This Purchase Order number binds the College for that purchase. The original Purchase Order document is sent as soon as it is prepared.

The Purchase Order, when received by the supplier, will be the same number as previously communicated. The last line on the Purchase Order will include a **“For Confirmation Only Do Not Duplicate”** statement. This denotes that the order has already been placed and that this original copy of the Purchase Order documents it. This notation also eliminates confusion, which could cause a double order and shipments.

DELIVERY

Every Purchase Order specifies “all shipments to be F.O.B. destination unless otherwise shown”. This term means the seller is required to place goods aboard the equipment of the transporting carrier without cost to the buyer. F.O.B. must be qualified by name of location such as shipping point, destination, city, etc., which is usually the location where title to the goods passes from the seller to the buyer.

MAINTENANCE AGREEMENTS

All Maintenance Agreements are negotiated by the Purchasing Department. All requests for service calls (other than ITS) on this equipment should be made through the Purchasing Department so that documentation for service can be kept on file. The request must identify: a contact person in the department, room number where the equipment is located, make and model of the equipment, and a brief description of the problem. An electronic Service Request Form is available on the College eform website and can be submitted to the Purchasing Department electronically via email. This will result in a much quicker response time.

It is the responsibility of the requisitioning Department to see that the service is successfully completed and have a College employee available to try the equipment before the service person leaves. In the event that service is not rendered, or is not satisfactory, the Purchasing Department should be notified immediately by telephone, and documentation in writing should follow.

CAPITAL LEASE FINANCE AGREEMENTS

Board of Trustee resolution #88.35 states that since capital lease financing agreements for equipment are a College Treasury function, each such agreement should follow established procedures. These procedures would include written justification for the equipment and Purchasing Department compliance with competitive bidding procedures. Copies of the necessary form are available from the Purchasing Department.

After the price has been determined, the Treasurer of the College will make a recommendation to the Board for purchase and finance details. The operational manager requesting said purchase will be responsible for the equipment justification proposal presented to the Board.

All capital purchase/lease agreements entered into by the College would be approved in advance by the Board of Trustees. After Board approval, the Vice President of Finance would be responsible for signing the lease document for the College. The Director of Purchasing may be appointed to perform this requirement as directed by the Vice President of Finance.

VI. GUIDELINES FOR INVOICING AND RECEIVING PROCESS

INVOICING AND RECEIVING

Cincinnati State Purchase Orders request that invoices be sent directly to the Accounts Payable Department. All invoices **must** contain the Purchase Order number. Cincinnati State assumes financial responsibility for only those purchases which are made using a Purchase Order number.

Payment is made on the original copy of the invoice only when the blue Receiving Report is received, signed, and dated by the initiator of the order. A supplier cannot be paid before this process is completed. On Blanket Purchase Orders, each partial order draw is approved by the initiator through a form provided by the Accounts Payable Department.

Although the practice is generally not allowed, there are cases when it is necessary to make payments in advance of receiving the goods or service. This is true of all publications and documents ordered from the United States Government through the Superintendent of Documents. Other examples of when pre-payment is necessary may include membership fees, registration fees, professional fees, subscriptions and personal services such as speaker honorariums, etc. The Purchasing Department must review and approve all transactions requesting advanced payment (“pre-payment”).

VII. DISPOSAL OF SURPLUS/OBSOLETE PROPERTY

PURPOSE

The following procedure is instituted to provide for the orderly physical disposal of surplus and/or obsolete property owned by Cincinnati State. The procedure further provides for fixed-asset account location management on all equipment that is transferred, disposed of, or stolen.

SCOPE

The procedure is applicable to all operating Departments of Cincinnati State, and covers all fixed assets (tagged or untagged).

FORMS

The following form is incorporated for use:

Fixed Asset Transfer/Disposal (FATD) – *(See Exhibit D)*

METHOD

In disposing of surplus/obsolete property, effort must be made to maximize retained value to the College. Accordingly, the priority of actions taken is:

1. Intra/Inter Departmental Transfer
2. Trade-In
3. Sale
4. Donation
5. Scrap

Actions will be accomplished as follows:

- A. Intra-departmental Transfer – Disposing office will complete the “Initiating Department” and “Room Changes” sections of the Fixed Asset Transfer/Disposal form (hereinafter referred to as FATD). The option exists to utilize Physical Facilities Department (hereinafter referred to as P.F.D.) to effect the physical movement between the disposing and gaining offices. If P.F.D. is to be used, disposing office will submit P.F.D. Work Order and forward together with all copies of the FATD to P.F.D.-Mailroom. P.F.D. will effect transfer within one week of notification and make distribution of the FATD as follows: white copy accompanies equipment to gaining office; yellow copy returned to disposing office; pink copy forwarded to Property Accountant; gold copy retained for P.F.D. file. If P.F.D. is not utilized, disposing office will complete distribution of the FATD as directed above.

- B. Inter-departmental Transfer – Prior to any inter-departmental transfer the initiating office should first contact the Purchasing Department. The Purchasing Department will review current requisitions to determine if proposed transfer item may better serve the college by being substituted for a new purchase. The Purchasing Department will complete its review within two working days and come to an agreement with all involved departments. Disposing department will complete the “Initiating Department” and “Room Change” sections of the FATD and forward all copies along with P.F.D. Work Order to P.F.D.-Mailroom. **All inter-departmental transfers must utilize P.F.D.** P.F.D. will effect movement within one week of notification and make distribution of the FATD as per paragraph A above.

- C. Trade-In – **Prior to initiating a new purchase to replace obsolete property**, requisitioning department must contact the Purchasing Department to determine if a trade-in value can be negotiated. If adequate trade-in value can be obtained, Purchasing will so notify requisitioning activity which will then complete the “Initiating Department” and “Disposal” sections of the FATD, insuring that trade-in block is checked, and forward all copies along with P.F.D. Work Order to P.F.D.-Mailroom. P.F.D. will effect movement of property to Room 110, where it will be held for trade-in. P.F.D. will forward the pink and yellow copies of the FATD to the Purchasing Department, attach the white copy to the property, and retain the gold copy for P.F.D. files. Upon completion of negotiation, the Purchasing Department will enter “trade-in” value on FATD, forward pink copy to the Property Accountant, and return yellow copy to initiating department. A copy will be maintained by the Purchasing Department for cost savings/avoidance reporting. **The trade-in value will be deducted directly from the purchase price of the new order and thus reflected as a savings to the requisitioning Department’s operating budget.**

- D. Disposals – When Departments have surplus/obsolete property not suitable for transfer or trade-in, they will dispose of such by completing the “Initiating Department” and “Disposal” sections of the FATD and forward all copies to P.F.D.-Mailroom. P.F.D. will effect physical movement and distribute FATD as follows: white copy attached to property; pink copy to Property Accountant; yellow copy to initiating department; gold copy to P.F.D. files.
- E. Sale/Donation – When economically feasible certain surplus items such as vehicles may be sold. In most cases a “Sealed Bid” process is used to obtain the best value for the College. Surplus/obsolete property deemed by the Purchasing Department to be unsuitable for sale or for which no bids have been received at previous sale, may be offered for donation to charitable, non-profit organizations. The Purchasing Department will coordinate the pick-up by the receiving agency with P.F.D. and Distribution and will annotate the remaining white copy of the FATD to reflect donation in the “Disposal Section – Other Column”. Upon agency pick-up, P.F.D. will remove the completed white copy of the FATD from the donated property and forward it to the Property Accountant for reconciliation.
- F. Scrap – Surplus/obsolete property deemed by the Purchasing Department to be not of donatable value will be scrapped. The Purchasing Department will annotate the remaining white copy of the FATD to reflect “scrap”. Upon disposal, P.F.D. will remove completed white copy from scrap property and forward it to the Property Accountant for reconciliation.

OTHER DISPOSITIONS

- A. Off campus transfer of property – Departments wishing to transfer property to off-campus sites must obtain written approval by President’s Cabinet level officers. Approving officer should give consideration to potential for damage and insurance coverage where applicable. The transferring department will complete the “Initiating Department” and “Room Changes” sections of the FATD. The “new building no. and room no.” designations will be “9” and “O.P.”, respectively. If P.F.D. is to be used to effect the physical movement, the transferring department will forward the FATD with a P.F.D. Work Order to the P.F.D.-Mailroom. P.F.D. will effect move and make distribution of FATD as follows: white copy affixed to property; yellow copy returned to transferring department; pink copy to Property Accountant; gold copy retained for P.F.D. file. If P.F.D. is not utilized, transferring department will complete distribution of FATD as directed above. Major department heads will be responsible for maintaining a listing of property not on campus. Information required by Finance includes the tag number, description of the property, responsible

employee, and the off-campus address of the property. When a physical inventory of the major department is taken, the department will be required to provide the listing and attest to its accuracy.

- B. Theft of Property – Departments will immediately notify Public Safety of all thefts of property. Public Safety will be responsible for filing and Incident Report and, where applicable, notifying Cincinnati Police and filing insurance claims. Public Safety will complete the “Initiating Department” and “Room Change” sections of the FATD and forward the white and pink copies along with a copy of the Incident Report to the Property Accountant. The yellow copy will be returned to the losing department and the gold copy retained for the Public Safety file.

VIII. GUIDELINES FOR PCARDS

(See Pcard Guidelines Manual in the Purchasing Department, Room 157 or request electronic copy)

IX. LEGISLATIVE ORDERS/LAWS/ACTIONS (see attachments)

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards:

The effective date for implementation of Uniform Guidance, 2 CFR Part 200.320, Procurement Standards regulations at Cincinnati State Technical & Community College will be fiscal year 2017. The College will follow Procurement Standards regulations as specified in OMB Circular A-110, 2 CFR Part 215 through June 30, 2016.

X.

GLOSSARY

ACKNOWLEDGMENT - A form used by a supplier to advise a purchaser that their order has been received. It usually implies acceptance of the order.

AGENT - One person acting for another, called principal, in dealing with third parties.

BID - A form used by a carrier as an invoice showing consignee, consignor, description of shipment, weight, freight rate, freight charges and other pertinent information about goods being transported.

BILL OF LADING – (abbreviation: B/L or b/l) A carrier's contract and receipt for goods in which it agrees to transport from one place to another and to deliver to a designated person or assign for compensation and upon such conditions as are stated therein.

CASH WITH ORDER - The purchaser's document used to amend a purchase transaction previously formalized by a Purchase Order.

CHECK - A check is a bill of exchange or draft drawn on a bank and payable on demand.

COMPETITIVE BIDDING - The offer of estimates by individuals or firms competing for a contract, privilege, or right to supply specified services or merchandise.

CONCEALED DAMAGE - Damage to the contents of a package which is in good order externally.

CONFIRMING ORDER - A Purchase Order issued to a supplier, listing the goods or services and terms of an order placed verbally, or otherwise, in advance of the issuance of the usual purchase document.

CONSIGNEE - The person or organization to whom a shipper directs the carrier to deliver goods. Such person or organization is generally the buyer of goods and is called a consignee on a bill of lading.

CONSIGNMENT - Goods shipped for future sale or other purpose, title remaining with the shipper (consignor), for which the receiver (consignee), upon his acceptance, is accountable. Consigned goods are a part of the consignor's inventory until sold. The consignee may be the eventual purchaser, may act as the agent through whom the sale is affected, or may otherwise dispose of the goods in accordance with his agreement with the consignor.

CONSIGNOR - The person or organization who delivers freight to a carrier for shipment is called a consignor or shipper and is the one who directs the bill of lading to be executed by the carrier. Such a person or organization may be the consignor-consignee, if the bill of lading is made to his own order.

CONTRACT - A deliberate agreement between two or more competent persons to perform, or not to perform, a specific act or acts. A contract may be oral or written. A Purchase Order, when accepted by a vendor, becomes a contract. Acceptance may either be either in writing or by performance, unless the Purchase Order requires acceptance thereof to be in writing, in which case it must be thus accepted. A unilateral contract is one where only one party promises performance, the performance being in exchange for an act by the other. A bilateral contract is one where both parties promise performance, each promise being given in exchange for the other.

CONTRACT DATE - The date when a contract is accepted by all parties thereto.

CONTRACTOR - (1) Any one of the parties to a contract. (2) One who contracts to perform work or furnish materials in accordance with a contract.

DISCOUNT - An allowance or deduction granted by the seller to the buyer, usually when certain stipulated conditions are met by the buyer, which reduces the cost of the goods purchased. However, discounts may be granted by the seller without reference to stipulated conditions. An example of such use of discount is the application of discount to a nominal or "list" price to establish the "net" or actual price.

CASH DISCOUNT - An allowance extended to encourage payment of invoice on or before a stated date which is earlier than the NET date. The percent of discount allowed is as agreed between buyer and seller and is often established by industry or trade custom. Usual discounts are 1/2, 1 and 2 per cent, with occasional discount allowances to 10%.

TRADE DISCOUNT - A deduction from an established price for items or services, often varying in percentage with volume of transactions, made by the seller to those engaged in certain businesses and allowed irrespective of the time when payment is made.

EXPEDITE - To hasten or to assure delivery of goods purchased in accordance with a time schedule, usually by contact by the purchaser with the vendor.

FAIR MARKET VALUE - The value of an item as determined by negotiation between buyers and sellers and which value would be acceptable as a basis of a purchase and sale.

FIRM OFFER - A definite proposal to sell something on stated terms, binding the proposer up to a stipulated time of expiration. A "Firm Bid" is a similar proposal to buy something. Although both are referred to colloquially as "firm offers", the distinction between bids and offers is usually preserved in cable codes.

F.O.B. (FREE ON BOARD) - The term means the seller is required to place goods aboard the equipment of the transporting carrier without cost to the buyer. The term “f.o.b.” must be qualified by a name of location, such as shipping point, destination, name of city, mill warehouse, etc. These stated f.o.b. point is usually the location where title to the goods passes from the seller to the buyer. The seller is liable for transportation charges and the risks of loss or damage to the goods up to the point where title passes to the buyer. The buyer is liable for such charges and risks after passing of title.

FOLLOW-UP - Review a transaction to determine its status. In connection with purchase transactions, often synonymous with “expedite”.

INITIATOR - The person who originates and intends to use the items on a purchase requisition.

INVENTORY - (1) The amount of property on hand at any given time; (2) an itemized listing of amounts of property indicated as on hand at a particular time. A “physical inventory” is one determined by actual physical count of the items. A “book inventory” is one determined from records maintained in connection with day-to-day business activities.

INVITATION FOR BIDS - A written request which is made to prospective suppliers for their quotation on goods or services desired by the prospective purchaser.

INVOICE - A document showing the character, quantity, price, terms, nature of delivery and other particulars of goods sold or of services rendered; a bill.

LEAD TIME - The period of time from date of ordering to the date of delivery which the buyer must reasonably allow the vendor to prepare goods for shipment.

LETTER OF INTENT - A preliminary contractual arrangement customarily used in situations where the items, quantities, prices, and delivery dates are known, but where the principal contract provisions require additional time-consuming negotiations. It is used to enter into an interim agreement, pending a definitive contract, to permit the start of construction, production or delivery of the supplies or materials.

LIQUIDATED DAMAGES - A sum agreed upon between the parties to a contract, to be paid as ascertained damages by that party who breaches the contract.

LUMP SUM - The price agreed upon between vendor and purchaser for a group of items without breakdown of individual values, a lot price.

NEGLIGENCE - The failure to do that which an ordinary, reasonable and prudent man would do, or the doing of some act which an ordinary, prudent man would not do. Reference must always be made to the situation, the circumstances and the knowledge of the parties.

PACKING SLIP - A document which itemizes, in detail, the contents of a particular package or shipment.

PALLET - A portable platform upon which goods are placed in unit loads to facilitate stacking and handling by mechanical equipment such as fork-lift trucks. (“skid”)

PURCHASE - To procure property or services for a price; includes obtaining by barter.

PURCHASE CHANGE ORDER - See “change order”.

PURCHASE ORDER - The purchaser's document used to formalize a purchase transaction with a supplier. A Purchase Order, when given to a supplier, should contain statements as to the quantity, description, and price of the goods or services ordered; agreed terms as to payment, discounts, date of performance, transportation terms, and all other pertinent to the purchase and its execution by the supplier.

PURCHASE REQUISITION - A form used to request that the Purchasing Department procures goods and/or services from suppliers.

PCARD- A College issued credit card used in the acquisition of goods or services per the restrictions and requirements of a procurement card policy and program.

QUOTATION - A statement of price, terms of sale, and description of goods or services offered by a supplier to a prospective purchaser; a bid. When given in response to an inquiry is usually considered an offer to sell. Also, the stating of the current price of a commodity; the price so stated.

RECEIVING REPORT - A form used by the receiving function of a company to inform others of the receipt of goods purchased. Usually, copies are distributed to the accounting department.

REQUISITIONS - A formal application made by one officer or department to another for things needed in the service or business.

SALES TAX - A tax imposed specifically on a sale made by a supplier.

SAMPLE - A small portion of merchandise taken as a specimen of quality.

SEALED BID - Bids which are advertised, received and held, to be opened and made public at a stated time, in the presence of all bidders who may wish to come.

SINGLE SOURCE – one known source for a commodity or service.

SKID - A wood or metal platform fitted with two sled-type runners, or with legs, upon which material is placed and transported. It differs from a pallet in that its construction does not permit stacking of loaded skids one atop another.

SPECIFICATION - A clear, complete, and accurate statement of the technical requirements descriptive of a material, an item, or a service, and of the procedure to be followed to determine if the requirements are met. Federal: A specification established in accordance with procedures

prescribed by the Federal Specifications Board and approved for use by all government activities.

STOCK - A supply of goods maintained on hand at the storage points in a supply system to meet demands that it is anticipated will be made.

SUPPLIER/VENDOR - One who sells something; a “seller”.

WARRANTY - An undertaking, either expressed or implied, that a certain fact regarding the subject matter of a contract is presently true or will be true. The word should be distinguished from “guaranty” which means a contract or promise by one person to answer for the performance of another.

SECTION 2

PURCHASING GUIDELINES FOR SUPPLIERS/VENDORS

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I.

INTRODUCTION

The Purchasing and Materials Management Department is a service center for the entire Cincinnati State Technical and Community College community, providing sources (suppliers) and information to satisfy the various needs as we strive to get the **most** and the **best** goods and services for the **least** cost to the College.

The following pages outline guidelines and information relating to Purchasing Operations. Contact the Director of Purchasing & Materials Management at (513) 569-1590 if you have any questions regarding these guidelines.

II.

PURCHASING CODE OF ETHICS

The Purchasing and Materials Management Department [hereafter referred to as “the Purchasing Department”] and Cincinnati State Technical and Community College [hereafter referred to as “Cincinnati State” or “the College”] abide by the Conflict of Interest Section 2912.42 of the Ohio Revised Code, which states that “No Public Official shall knowingly authorize or employ the authority or influence of his office to secure authorization of any public contract in which he, a member of his family or any of his business associates has an interest”.

The Purchasing Department considers past performance and cooperation with the College when selecting suppliers. Every effort is made to locate and purchase from U.S., Ohio, Minority, Handicapped, Penal Institutional, and neighboring state buying programs.

The Purchasing Department at Cincinnati State has a responsibility to the tax paying public as well as to its students, faculty, and staff to conduct its business fairly in accordance with State regulations and Board of Trustees policy and to obtain the **most** and the **best** goods and services for the **least** cost to the College.

On occasion, some suppliers offer a free gift with an order. Personal acceptance of any gift in conjunction with a purchase is inappropriate and therefore prohibited; this includes personal services such as free or discounted remodeling, electrical, or plumbing work.

III. GENERAL GUIDELINES FOR SUPPLIERS

Cincinnati State considers its Suppliers to be valuable assets. You are welcome at Cincinnati State College. We invite your ideas, comments, and talent to our partnership of offering the taxpayers of Ohio the most and the best goods and services for the least cost.

Purchase Orders are legal contracts that bind the College and its Suppliers, and can be executed and/or changed only by the Purchasing Department. Cincinnati State does not issue letters of intent. Accept only Purchase Orders from the College as the only binding document for a purchase.

Equipment left on loan or trial must be cleared through the Purchasing Department. Description of equipment, including serial number, reason for and length of loan, and your Federal ID number, must be on signed company letterhead. Cincinnati State is not responsible for the loss or damage of any equipment on loan or trial.

Any order not placed by the Purchasing Department is a personal financial obligation rather than a commitment of any resources administered by the College. Only members of the Purchasing Department are authorized to approve the phoning of orders.

No commitment (including letter of intent), either expressed or implied, can be made by College personnel other than the Director of Purchasing and Materials Management.

Because Cincinnati State is not a supplier, we cannot buy any item at discount for resale to faculty, staff, or students. The resale of any item would violate our contract with the College Bookstore and also our tax exempt status.

IV. GUIDELINES FOR SUPPLIERS BIDDING ON PROJECTS

GENERAL GUIDELINES FOR SUPPLIERS BIDDING ON PROJECTS

Notify the Purchasing Department if you want your firm added to a bid list for equipment, material, supplies, or service by requesting, and then submitting, a Vendor Registration Packet. Requests to be placed on any bid list are processed by the Purchasing Department in an expeditious manner.

The bidding process begins with the initiator supplying complete and concise specifications to the Purchasing Department at least three (3) weeks before results of the bid are needed. If specifications are so written that only one source could respond, the Purchasing Department is free to include the following statement on the bid: "Suggested specifications follow, but bidders are not limited to them". Initiators are welcome to submit the names and addresses of suppliers to be included in the bidding; the Purchasing Department is also free to add suppliers to this list. Suppliers are normally given ten (10) working days to respond to a bid. All bids are dated and returned via mail or hand-carried to the Purchasing Department. The opening of bids is public. If the low bid is not selected, a written signed document as to why the low bid was not selected will be retained on file in the Purchasing Department.

Purchasing is the only Department authorized to conduct bidding procedures. All competitive bids will be solicited and maintained by the Purchasing Department. Price quotations/comparisons obtained by individual staff or faculty regardless of their source are **not** acceptable as formal bids.

In compliance with Ohio Revised Code Section 3345.10, printing contracts will be awarded to only those suppliers with a manufacturing facility within the State of Ohio. Only if the required printed products are not available from a supplier which has manufacturing facilities in Ohio, may the purchase may be made from an out-of-state supplier. The Purchasing Department reserves the right to require any bidder to submit a signed certification that they have a manufacturing facility in the State of Ohio before a contract is awarded.

Departments may communicate with suppliers as they develop their specifications.

The Purchasing Department reserves the right to reject any or all bids whenever, in the opinion of the Director of Purchasing, the action will be in the best interest of the College. This normally results in the issuance of a re-bid.

A purchase does not **always** result from a bid; the main purpose of bidding is to obtain the **most** and the **best** goods and services for the **least** cost to the College.

Bids will normally specify shipments F.O.B. Destination so that the seller still owns goods while in transit.

Submit all sealed competitive bid responses directly to the Purchasing Department by the specified time and date. Bid openings are public to any interested party.

Bids transmitted via fax will be accepted unless specifically prohibited in the bid specifications. Formal acceptance of the bid will not occur until the original document is received in the Purchasing Office. This must occur during the two working days following the bid opening, or the faxed copy will be considered null and void.

Suppliers are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the total price will govern. Quotations may be amended or withdrawn by the bidder up to the bid opening date and time. After that time, in the event of an error, bids may not be amended, but may only be withdrawn prior to the acceptance of the bid. Bids are awarded based on the lowest cost and best bid. Previous dealings with the supplier and/or references will be considered. After an order has been issued, no bid may be withdrawn or amended unless the Purchasing Department considers the change to be in the best interest of the College.

Once a bid has been accepted and a Purchase Order number given to a supplier, it is the understanding of Cincinnati State that the supplier will fulfill all conditions of the bid as specified in the Purchase Order. Failure of a supplier to comply may result in their elimination from the bid list.

OPENING OF BIDS

Construction and Goods/Services bid openings are public. Suppliers are welcome to attend these openings where bids are read and prices noted. The recap of bids and **all** original copies of bids are stored in the Purchasing Office. Anyone can view these bid files during normal business hours in the presence of Purchasing personnel. Notes may be taken, but no documents may be removed from the Purchasing Office. Any protest of an award should be made within 5 days of the award directly to the Director of Purchasing at (513) 569-1590. Verbal protests alone are insufficient and will not warrant further investigation. All letters of protest must contain a statement of facts and reasons which form the basis of the protest. Vendors are assured that the lodging of any written protest is promptly investigated and respectfully answered.

PUBLIC BID INFORMATION ACCESS

It is not the policy of Cincinnati State to divulge bid information over the telephone or make copies for distribution outside the building. However, anyone is free to examine the bid file and make notes provided it is done in the presence of Purchasing personnel during normal working hours and no material is removed from a bid file. We notify the supplier who was awarded the bid by sending a Purchase Order. All other participating suppliers receive a "Thank You" for participating in the bid process.

SOLE SOURCE JUSTIFICATION

The Board of Trustees, through resolutions 80.46 to 80.48, approved the waiving of the College's bidding procedures under the following conditions:

1. Purchases from existing sources that have already performed the required bidding procedures. These sources include State of Ohio Contracts, when offered by Vendor, Inter-University Purchasing Council and Educational and Institution Cooperative.
2. Emergency purchases represent documented situations which have created an immediate threat to life or damage to the Institution, and would result in the closing of the Institution.
3. A documented unique need or sole source of supply exists. This documentation must be provided to the Purchasing Department by the initiator and will include a list of suppliers contacted to find a comparable item. This document will be signed by the initiator and the Department manager.

MINORITY BUYING

The Purchasing & Materials Management Department makes every effort to locate and buy from minority business firms registered with the State of Ohio. A Registered Minority Business Firm is defined within Ohio as a firm in which the controlling ownership is Black, Hispanic, Female, Asian, Aleut, or Native American.

The Purchasing Department has maintained an "Open Door Policy" for all potential suppliers. Upon request, any new supplier will be given a Vendor Registration Packet. When completed and returned this information is entered into the Purchasing supplier database. A special code number is assigned to those who qualify as an M/WBE supplier. In addition we will provide copies of all bids to any supplier whether they are in our database or not, if requested.

We develop our bidders list for our Requests for Bid using several techniques. First, we use prior bid history and recommendations from the requesting departments within the College. Any new supplier for a particular commodity who has asked to be included on the next bid is also added. For M/WBE suppliers we utilize the State of Ohio website for certified M/WBE suppliers, the membership directory published by the Cincinnati Minority/Women Supplier Development Council and we also send copies of bids to the African American Chamber of Commerce. The Chamber has advised us that they post the bids and also contact minority suppliers who may be interested in submitting a bid. Of course larger renovations and construction bids are advertised in the local paper which gives us the greatest coverage to all potential bidders.

Bids for construction many times have an EDGE participation goal. As its name suggests, the State of Ohio's EDGE program provides an EDGE to small businesses by Encouraging

Diversity, Growth and Equity in public contracting. EDGE is an assistance program for economically and socially disadvantaged business enterprises.

Additional M/WBE suppliers are subcontracted by other firms who perform work for the College. An example is Caldwell Associates who was contracted by Deloitte and Touche LLP to administer the annual financial audit. Unfortunately we have no method of tracking this M/WBE activity but it does represent an important part of our M/WBE participation.

Our Request for Bids packets include a separate page to be completed by minority suppliers which allows us to identify and confirm their minority status. This data assists in compiling M/WBE reports that document our minority purchasing activity. In 2002 and 2003 more than 40 M/WBE suppliers attended the Bidders Conferences for the College Empowerment Zone which were held in the Cincinnati State Conference Center. In 2008 the Northern Kentucky Chamber of Commerce sponsored a roundtable meeting on “How To Do Business with Local Colleges.” Three colleges were invited as guest presenters and Cincinnati State was represented by the Director of Purchasing and Materials Management. Cincinnati State also hosted a booth at the African American Chamber of Commerce Annual Conference in December 2009 and 2010. Our Purchasing Director and representatives from the Work Force Development Center manned the booth.

The Purchasing & Materials Management Department is committed to providing the College with the best products and services at the lowest cost and will continue to offer bid opportunities to all M/WBE suppliers and to meet the goals of the EDGE Program whenever possible.

V. GUIDELINES FOR TYPES OF ORDERS AND AGREEMENTS

REGULAR ORDERS

When the need arises in a Department for an item, a requisition is written by the initiator to a "suggested supplier". The Purchasing Department will compare prices and process this requisition in a timely fashion. The initiator will receive a Purchase Order, which will act as a receiving report on which the initiator will sign-off when the merchandise has been received. All invoices must reference the appropriate Purchase Order number in order to be paid.

BLANKET ORDERS

Blanket orders are Purchase Orders set up for a specified time period with an established dollar limit for a specific type of commodity. They are issued to suppliers for a Department which has frequent small goods and supplies needs. Persons authorized to purchase from the Blanket Purchase Order and dollar limits will be identified. All invoices must reference the appropriate Blanket Purchase Order number in order to be paid.

CHANGE ORDERS

Once a Purchase Order is received and accepted by a supplier, it becomes a binding agreement between the supplier and the College. Changes to this order cannot be made by an initiator's phone call and/or letter. The only persons authorized to request and/or approve any changes with the supplier are personnel in the Purchasing Department. A change order Purchase Order will be created and mailed to the supplier.

Change orders are **not** designed to replace a new order or to add additional items or quantities. Normally change orders are written to increase or decrease Blanket Purchase Orders. For instance, if a definite order had been written for painting a number of rooms, additional rooms should not be added unless a new order is requested with approval.

CONFIRMING ORDERS

In the case of an emergency, the Purchasing Department may alter the normal process in order to expedite delivery of the goods or services. A Purchase Order number will be given to the supplier either via phone or by fax. This Purchase Order number binds the College for that purchase. The original Purchase Order document is mailed to the Supplier as soon as it is prepared.

The Purchase Order, when received by the supplier, will be the same number as previously communicated. The last line on the Purchase Order will include a **“For Confirmation Only”** statement which denotes that the order has already been placed by Purchasing and that this Purchase Order documents it. This notation also eliminates confusion which could cause duplicate orders and shipments.

MAINTENANCE AGREEMENTS

All Maintenance Agreements are negotiated by the Purchasing Department. All requests for service calls (other than ITS) on this equipment will be made through the Purchasing Department so that documentation for service calls is created.

VI. GUIDELINES FOR INVOICING AND RECEIVING PROCESS

INVOICING AND RECEIVING

Cincinnati State Purchase Orders request that invoices be sent directly to the Accounts Payable Department. An invoice **must** reference the appropriate Purchase Order number. Cincinnati State assumes financial responsibility for only those purchases which are made using a Purchase Order number.

Payment is made on the original copy of the invoice only when the Receiving report is received by accounts payable, signed and dated by the initiator of the order. A supplier cannot be paid before this process is completed. On Blanket Purchase Orders, each partial order is paid when invoiced.

Although the practice of prepayment is generally not allowed, there are cases when it is necessary to pay in advance of receiving the goods or service. This is true of all publications and documents ordered from the United States Government through the Superintendent of Documents. Other examples may include membership fees, registration fees, professional fees, subscriptions, and personal services such as speaker honorariums, etc. The Purchasing Department will review and approve all transactions requesting advanced payment (“pre-pay”).

