Procurement Policy

ROWAN UNIVERSITY POLICY

Title: *Procurement Policy*
Subject: *Contracting and Purchasing*
Policy No: *FIN 2016:06*
Applies: *University-Wide*
Issuing Authority: *Senior Director of Contracting & Procurement*
Responsible Officer: *Senior Director of Contracting & Procurement*
Adopted: *04/11/2016*
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I. PURPOSE

To the maximum extent possible, the procurement of goods and services for Rowan University of New Jersey, will be conducted in an open and competitive environment to ensure that prices paid by Rowan for those goods and services are fair and reasonable, and that procurements for Rowan follow best in class ethical business practices. Procurements of goods and services for Rowan must conform to the standards identified in this policy which reflect applicable Federal and State laws and regulations where necessary. This Policy shall replace prior policies on this topic.

To assure that University purchases and payments are properly authorized, and:

a. Obtain the best value for the University by striving for best practices whenever possible and determined by the Office of Contracting and Procurement (OC&P);
b. Follow fair and ethical business practices; and
c. Adhere to all State and Federal Laws as they relate to procurement and the expenditure of public funds; and
d. Reflect appropriate stewardship of University resources.
e. To educate employees and suppliers about the University's Procurement and Payment Policy and procedures.

II. ACCOUNTABILITY

At the direction of the Senior Vice President for Finance and CFO, the Senior Director of the Office of Contracting & Procurement (OCP) shall implement this policy and the deans, department chairs, department directors and users of the purchasing system, shall ensure compliance with the policy.

III. APPLICABILITY

This policy applies to all authorized University departments and personnel who accept responsibility for using the purchasing system, which may only be used in accordance with the policy and procedures described below.

Resources
Rowan Policies

- University Policy - Travel Policy
- University Policy – University Purchasing Card
- University Policy – Contract Policy
- IRT/ITAP - Data Governance: IT Acquisition Policy

IV. DEFINITIONS

1. ***Bid:*** The formal submission of an offered price for the goods or services being sought by the University. A bid is submitted to the University in electronic format and opened in public at an advertised time and place. Any bidder unable to submit its bid in electronic format must first contact the University and ask for alternative methods of submission upon explanation of its inability to submit electronically. The lowest responsive, responsible bidder is awarded the contract.
2. ***Bid Waiver:*** A statutorily created category of items that may be purchased without a formal advertising of a public bid.
3. ***Cooperative Consortium:*** a type of cooperative arrangement, among public entities, to agree to aggregate demand to get lower prices from selected suppliers. It is often used by government agencies to reduce costs of procurement.
4. ***Contracting agent:*** The business officer of the University having the power to prepare advertisements, to advertise for and receive bids, and to make awards for the University in connection with the purchases, contracts or agreements permitted by this policy or the officer, committee or employee to whom the power has been delegated by the University.
5. ***Contracts*****:** Contracts or agreements, or those interactions both written and verbal containing those elements that result in a contractual obligation to the University for the performance of work or the furnishing or hiring of services, materials or supplies, as distinguished from contracts of employment.
6. ***Extraordinary Unspecifiable Services:*** Services or products which cannot be reasonably described by written specifications.
7. ***Information Technology:*** Telecommunication goods and services, including, but not limited to, software, hardware and systems implementation, inclusive of support and support for voice, data and video.
8. ***Materials:*** Includes goods and property subject to Chapter 2 of Title 12A of the New Jersey Statutes, apparatus or any other tangible thing, except real property or any interest therein.
9. ***Professional Services:*** Services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training. Professional services also means services rendered in the performance of work that is original and creative in character in a recognized field of artistic endeavor.
10. ***Project:*** Any work, undertaking, construction, or alteration.
11. ***Procurement Contract:*** A legal document agreed to by Rowan and a supplier on the pricing and terms of a transaction or a series of transactions in which the University acquires goods and services. In absence of an additional contract document the University's purchase order is a legally binding contract between Rowan and a vendor.
12. ***Purchase Order:*** After all the processes have been completed through the requisition process, the document known as the purchase order is then sent electronically to the requisitioner in order for them to forward it to their selected vendor. The purchase order is a formal document detailing specifically what is to be purchased, the terms, the supplier, ship to information, and all necessary data to complete ordering instructions to the vendor. Purchase Orders should be done for tangible goods, advertising, services, and construction.
13. ***Purchases:*** Transactions for a valuable consideration, creating or acquiring an interest in goods, services including real property or any interest therein.
14. ***Quotation:*** The offering of a price for goods or services being sought by the University. A quote must be written and may be rescinded by the vendor before acceptance of a contract. Requesting quotations is a less formal procedure than a request for bids. An email may act as a written quote.
15. ***Requisition:*** The initial request to the OC&P, for the procurement of goods and/or services. The requisition must contain all pertinent data needed by a vendor and required by the OC&P to fill the department's request. Requisitions can be regular or standing.
16. ***Sole Source:*** A sole source purchase request cannot be considered unless it is clearly demonstrated that no other similar product and/or service can meet the department's needs. Brand preference or time issues may not be used as a reason to bypass normal requisition procedures. When a requisitioner requests a "sole source" purchase, they must complete the sole source request form (located on the OC&P website) and send it to the OC&P for approval.

17. ***Standing Order:*** A standing (blanket) purchase order is an encumbrance for a set amount of money for recurring purchases for which compliance has already been obtained. The standing order is setup by the Department for convenience, so a requisition does not have to be completed for every purchase.
18. ***Supplier:*** A person or entity that is the source of goods and services procured by the University.
19. ***University-Contracted Supplier:*** A supplier that has been solicited through an allowable Procurement process, and with whom the University has an agreement in effect for goods or services. University-contracted suppliers may include those who have various cooperative consortium contracts available to the University, as well as those under contract with the state of New Jersey**.**
20. ***Work:*** Includes services and any other activity of a tangible or intangible nature performed pursuant to a contract or agreement with the University.

V. POLICY

1. The OC&P is under the supervision of the Senior Vice President for Finance. The Senior Vice President has designated immediate supervision to the Senior Director of Contracting and Procurement, who has day-to-day responsibility for all University purchasing and contracting and supervision of the OC&P.
2. The University purchasing policy does not allow employees of the University to order equipment, materials, or services without an approved purchase order and following all processes mandated with the limited exceptions of those purchases made on a Non-PO Purchase Order or with a University Purchasing Card and in accordance with those policies.

   Expenditures made without required approvals, or in violation of this policy, are unauthorized purchases. Documents will not be processed and will be returned to the employee responsible.

   In addition, employees may be held personally liable for payment of unauthorized purchases unless they can provide a letter of justification signed by the Vice President of their Division stating why the purchase was made in violation of the process. Employees may also be subject to disciplinary action, up to and including termination in accordance with applicable policies for violations.

3. All University purchasing will comply with State and Federal applicable laws and regulations in effect at the time of the purchase.
   a. **Quotations for Purchases Under the** Current Bid Threshold *N.J.S.A. 18A:64-54* Purchases, contracts, or agreements for materials, supplies, work, etc., that do not exceed the bid threshold in the aggregate for the University system as a whole in any fiscal year may be made, negotiated, and awarded by soliciting written quotes from vendors without formal public advertising for bids. The following requirements apply to the various bid threshold categories:
      - **0 – $20,000:** No competition required.
      - **$20,000 – $100,000:** Three (3) written quotes are required or as determined by the OC&P.
      - **Over $100,000:** Formal advertised bid will be coordinated through the OC&P or a bid waiver will be required with an approved Board of Trustees Resolution.
        The OC&P reserves the right to seek additional information and/or price competition on all purchasing requests.

   b. **Purchases in Excess of Current Bid Threshold**
      A purchase, contract, or agreement exceeding the Bid Threshold can only be awarded after a written, sealed public bid/RFP, unless it is for a Board determined waived item of the type listed in Section 4 or an item on State contract as defined in Section 5.

      Development of the formal bid/RFP is the responsibility of the OC&P. The requisitioner or end-user will be responsible with the assistance of the OC&P for developing the specifications and scoring criteria uniquely tailored to each solicitation. Each bid document is to be tailored to meet the specific needs of the purchase.

      The bid must be advertised at least once in the newspaper in general circulation in the county at least ten (10) days prior to the day fixed for receiving bids. In addition to the placement of

advertising, the OC&P may post the bid announcement on its website. Bid documents may also be sent directly from the OC&P to identified potential vendors from the end-user or in response to requests from a vendor.

Bids are opened and read aloud by the OC&P at the time and place specified in the advertisement and bid document. The bids are available for public inspection at the bid opening or at a later date under reasonable rules set by the OC&P.

Rowan reserves the right to reject any and all bids. Rowan also reserves the right to require bid security in an amount not to exceed ten percent (10%) of the base bid for goods and services, but not in excess of $20,000, as security to hold the successful bidders' price. The bid security requirement for construction projects is ten percent (10%) of the bid. The bid security may be rendered through certified check, cashier's check, or bid bond at the bidder's option.

The standard for awarding bids for goods and services is: "...that responsible bidder, whose bid, conforming to the invitation for bids, will be most advantageous to the State University, price and other factors considered."

The standard for awarding bids for construction contracts is: "...to the lowest responsible bidder, whose bid, conforming to the invitation for bids, will be the most advantageous to the State University." Bids not responsive to requirements will be declared void.

Following the review of bids and the award of a contract, all vendors are given written notification of the award and have three (3) days from the date of the award to enter a protest. Upon receipt of a written appeal, the OC&P may grant the objecting vendor a hearing.

c. **Waiver of Bidding Procedures**
The law allows the Board to create a policy for the waiver of public bidding procedures for purchases over the Bid Threshold under certain circumstances.

The Board has adopted specific, limited exceptions to the public bidding procedures. The Senior Director of Procurement may determine that it is in the best interest of the University to forego the waiver process and conduct a formal public bid to ensure competition and best pricing.

Bid waiver requests must meet defined conditions as laid out by the Board, State and Federal Regulations, and Rowan University policy. If all conditions are met, a request must be made to the OC&P through the requisition process and if the request exceeds the Bid Threshold, it must be submitted for approval by resolution of the Board of Trustees.

The three (3) broad categories of bid waivers are those that pertain to: 1) certain goods and services; 2) contracts or agreements with other public entities; and 3) public bids that have failed to produce a viable outcome for the University.

d. **Certain Goods and Services:** The following items may be purchased without the solicitation of bids if, in the judgment of the Vice President for Finance, the vendor recommended on the requisition appears to be offering satisfactory material or services at a reasonable price. A University purchase order, when required, shall be approved by the OC&P. These items include:
    i. Professional services; or
    ii. Extraordinary unspecifiable services and products which cannot reasonably be described by written specifications, subject, however, to procedures consistent with open public bidding whenever possible; or
    iii. Materials or supplies which are not available from more than one potential bidder, including without limitation materials or supplies which are patented or copyrighted; or
    iv. The doing of any work by employees of the State University; or

v. The printing of all legal notices and legal briefs, records and appendices to be used in any legal proceeding to which the State University may be party and the use of electronic data or media services, including the internet, for the printing of these legal notices and legal briefs, records and appendices; or
vi. Textbooks, copyrighted materials, student produced publications and services incidental thereto, library materials including without limitation books, periodicals, newspapers, documents, pamphlets, photographs, reproductions, microfilms, pictorial or graphic works, musical scores, maps, charts, globes, sound recordings, slides, films, filmstrips, video and magnetic tapes, other printed or published matter and audiovisual and other materials of a similar nature, necessary binding or rebinding of library materials and specialized library services, including electronic databases and digital formats; or
vii. Food supplies and services, including food supplies and management contracts for student centers, dining rooms and cafeterias; or
viii. The supplying of any product or the rendering of any service by the public utility which is subject to the jurisdiction of the Board of Public Utilities, in accordance with tariffs and schedules of charges made, charged and exacted, filed with that board; or
ix. Equipment repair service if in the nature of an extraordinary unspecifiable service and necessary parts furnished in connection with the services; or
x. Specialized machinery or equipment of a technical nature which will not reasonably permit the drawing of specifications, and the procurement thereof without advertising is in the public interest; or
xi. Insurance, including the purchase of insurance coverage and consulting services, which exceptions shall be in accordance with the requirements for extraordinary unspecifiable services; or
xii. Publishing of legal notices in newspapers as required by law and the use of electronic data or media services, including the internet, for the publication of the legal notices; or
xiii. The acquisition of artifacts or other items of unique intrinsic, artistic or historic character; or
xiv. The collection of amounts due on student loans, including without limitation loans guaranteed by or made with funds of the United States of America, and amounts due on other financial obligations to the University, including but not limited to, the amounts due on tuition and fees and room and board; or
xv. Professional consulting services; or
xvi. Entertainment, including without limitation theatrical presentations, band and other concerts, movies and other audiovisual productions; or
xvii. Contracts employing funds created by student activities fees charged to students or otherwise raised by students and expended by student organizations; or
xviii. Printing, including without limitation catalogs, yearbooks and course announcements and the production and reproduction of such material in electronic and digital formats, including compact discs; or
xix. Information technology; or
xx. Personnel recruitment and advertising, including without limitation advertising seeking student enrollment; or
xxi. Educational supplies, books, articles of clothing and other miscellaneous articles purchased by a University or University for resale to University students and employees; or
xxii. Purchase or rental of graduation caps and gowns and award certificates or plaques; or
xxiii. Items available from vendors at costs below State contract pricing for the same product or service, which meets or exceeds the State contract terms or conditions; or
xxiv. Management contracts for bookstores, performing arts centers, residence halls, parking facilities and building operations; or
xxv. Consulting services involving information technology, curricular or programmatic review, fund raising, transportation, safety or security; or
xxvi. Construction management services for construction, alteration or repair of any building or improvement; or
xxvii. Purchase or rental of equipment of a technical nature when the procurement thereof without advertising is necessary in order to assure standardization of equipment and interchangeability of parts in the public interest; or
xxviii. Memberships or

xxix. Banking and investment services; or
xxx. Energy supply, such as electric and gas, from a third-party supplier; or 30.
xxxi. Hazardous waste collection and disposal services; or
xxxii. Supplies and services for the administration of study abroad or remote programs; or
xxxiii. Transportation services; or
xxxiv. Vehicle maintenance; or
xxxv. Vending services; or
xxxvi. Medical testing; or
xxxvii. After receiving no bids or having rejected bids on two occasions; or

e. **Contracts or Agreements with other Public Entities**: Any contract, agreement with the United States of America, the State of New Jersey, a county, municipality or any board, body or officer, agency, University or authority, or any other state or subdivision thereof may be entered into without public bidding.
    i. **Joint Purchasing Agreements**
    The Board of Trustees of two or more State Universities/Universities/Public Research Institutes may provide jointly by agreement for the purchasing of work, materials, and supplies for their respective Universities and also may, enter into a joint purchasing agreement with other units of State or local government. This is known as a cooperative consortium.

    Joint agreements shall set forth the categories of work, materials, or supplies to be purchased, the manner of advertising for bids and of awarding of contracts, methods of payment by each participating state University/University/public research institute or other governmental unit, and other matters deemed necessary to carry out the purposes of the agreement.

    Funds for each participant's share of expenditures for purchases under any joint agreement shall be appropriated and paid in the manner set forth in the agreement and in the same manner as appropriations are made for other expenses of the participant.

f. **Bid Specifications**
    i. All specifications for any purchase, contract, or agreement shall be drafted in such a manner to encourage free, open, and competitive bidding. Detailed specifications will be included with Request for Bid Proposal packets.
    ii. The University shall, whenever reasonably possible, procure energy efficient products and equipment, renewable energy products, recycled products, low toxicity products and alternatives to products that contain mercury, lead, or other persistent bioaccumulative toxics (PBT's), and other products manufactured through environmentally sustainable methods. The University shall select ENERGY STAR energy-efficient products when acquiring new energy-using products or replacing existing equipment whenever feasible or practical.
    Notwithstanding Section (b.) above, a bid may not:
    iii. Require a standard, restriction, condition, or limitation not directly related to the purpose, function, or activity for which the purchase, contract, or agreement is made; or
    iv. Require that any bidder be a resident of, or that the bidder's place of business be located in, the county in which the purchase will be made or the contract or agreement performed, unless the physical proximity of the bidder is requisite to the efficient and economical purchase or performance of the contract or agreement; or
    v. Discriminate on the basis of race, religion, sex, sexual orientation, national origin, or other protected classification; or
    vi. Require with regard to any purchase, contract, or agreement the furnishing of any "brand name," although specifications may in all cases require "brand name or equivalent;" nor shall materials or supplies which are patented or copyrighted be specified unless the resolution authorizing the purchase, contract or agreement sets forth the manner in which the special need for the patented or copyrighted materials or supplies is directly related to the performance or purpose for which the purchase, contract, or agreement is made; or
    vii. Fail to include any option for renewal, extension, or release which the University may intend to exercise or require; or

viii. Fail to include any terms and conditions necessary for the performance of any extra work; or
ix. Fail to disclose any matter necessary to the substantial performance of the contract or agreement.
x. Any specification adopted by the University which knowingly excludes prospective bidders by reason of the impossibility of performance, bidding, or qualification by any but one bidder, except as provided herein, shall be null and void and of no effect, and the purchase contract or agreement shall be readvertised, and the original purchase, contract, or agreement shall be set aside by the Vice President.

g. **Vendor Registration and Entering into Vendor Database**
Pursuant to N.J.S.A. 52:32-44 vendors providing goods or services with a value of 15% of the current bid threshold or more to the University in any single fiscal year must be registered with the Department of Treasury and obtain a Business Registration Certificate. The University is prohibited from entering into a contract or purchase order with an entity if the aggregate amount is over 15% of the current bid threshold unless the vendor has provided a copy of its business registration certificate. It is the policy of the University to acquire the BRC upon onboarding a new vendor or when an established vendor's aggregate spend has reached the aforementioned threshold.

To facilitate the input of new vendors into the University vendor database, end users should supply the OC&P with a copy of the vendor's W9/W8 and any other information requested by the OC&P. When all documentation is verified, the vendor will be entered into the Banner vendor database. Allow a 7-10-day time frame to process vendor entry requests.

h. **Initiating the Purchase**
The individual requesting a purchase (the requisitioner) completes an electronic, requisition on the Banner system. If the requisition is completed properly and approved by the OC&P the requisition will be converted to a purchase order and processed.

i. **University**
i. Requisitions are prepared electronically through the University's Banner system. Requisitions can be regular or standing (blanket) orders. Standing orders are setup in most cases with local vendors so the Departments can purchase items on an as-needed basis. Standing orders may be mandated by the Division of Finance.
ii. It is important that the requisition be complete and clear and leaves no doubt as to the exact specifications of the desired items.
iii. Exigent circumstances should be brought to the attention of the OC&P.
iv. Delivery, freight, shipping, and handling charges must be added to the requisition as the last line item. Except where provided by contract or as a result of bidding, most companies' delivery terms are "F.0.B. Origin, which means that the University pays for any freight or shipping charges.
v. Account Codes must properly describe the service or commodity to be purchased. Reference the current Account Codes, which are reviewed annually. OC&P reserves, the right to change Account Codes as appropriate.
vi. Allow sufficient time for processing of the requisition and delivery of the materials and services. If the item to be purchased requires formal bidding, the lead-time required to place an order could take up to sixty (60) days or more.

j. **Processing of Purchases**
i. **For Purchases Not to Exceed the Bid Threshold**
- Quotation procedures:
- Thresholds as of last policy update:

<$20,000.00	OC&P reviews purchase and determines whether additional information is needed.
>$20,000.00 - $100,00.00	Three quotes or an exception is required. OC&P determines whether additional information is needed.

- The OC&P will award the purchase to the most responsible vendor. If the award is made to a vendor other than the lowest quote submitted, a statement of explanation must be kept on file.

ii. **For Purchases Estimated to be Greater Than the Bid Threshold**
Requisitioning Department must complete a ***REQUEST FOR AN RFP/BID FORM*** **(Addendum 7) with specifications detailing the complete description of item, estimated price, and suggested vendor(s) (if known). Provide a list of candidates for the Evaluation Committee responsible to identify factors to be included in the RFP/BID for determining the lowest responsible bidder. Procurement will prepare a draft Request For Proposal/Bid (RFP/RFB). The requisitioning department will review the draft RFP /RFB.**
If the item is subject to bidding procedures, the OC&P will make the determination whether bids have previously been solicited by the State and if the State has awarded and contracted with the vendor for the item requested.
   - If the item has been previously awarded to a vendor through a State contract, the OC&P may use this vendor by using this price or negotiating a lesser price and better terms than on the State Contracts list.
   - If the item has not been previously awarded to a vendor through a State contract, the OC&P will, in consultation with the originating department, prepare a RFP or bid.

iii. Once the RFP/BID is completed the OC&P will prepare the advertisement. The RFP/BID will be posted on the OC&P's website under the Current Request for Proposal page on the day the Ad runs.

The bid advertisement will be published in a legal newspaper sufficiently in advance to allow, for competitive bidding but, in no event, less than ten (10) days prior to the bid award date.

k. **Formation of Evaluation Committee**
The Senior Director of Procurement shall review all end-user suggested evaluation committees and in the absence of a suggested committee appoint an Evaluation Committee to review all Requests for Proposal/Bid for construction or purchase of goods and services and to evaluate bids in accordance with law. The following procedure shall be used for the formation of the Evaluation Committee.
   i. The department requesting services to be bid must complete a request and provide to the OC&P.
   ii. The requesting department shall list on the request the names of two (2) candidates, at a minimum, for the Evaluation Committee that have relevant financial or technical experience or expertise necessary to evaluate the RFP/BID.
   iii. Construction bids shall include the Project Manager. All other types of RFP's and Bid's shall have, a staff person or consultant proficient in use of products/services being requested.
   iv. The appointed Procurement Specialist will make the appointment from the list; notify the candidates about their appointment; and schedule all meetings for review of the RFP and bids when necessary.
   v. The Evaluation Committee, or its designee shall be responsible to identify any factors, in addition to price, to be included in the RFP/BID, and the criteria to be used to evaluate those factors, to determine the lowest responsive bidder.

   NOTE: **Individuals and Departments representing the University must not communicate directly with bidders when the OC&P has issued a request for proposal. A challenge (bid protest) to the integrity of the bid process can occur when departments interact directly with vendors during the competitive bidding process.**

l. **The Return of Bids**
All bids received by the University must:
   i. Be time stamped for each envelope received or electronically documented.

ii. Sorted by University bid reference number.
iii. Remain sealed until the announced opening day and time.

m. **The Opening of the Bids**
On the designated date and time, the OC&P shall publicly receive the bids and immediately proceed to unseal them and publicly announce the contents in the presence of any parties bidding or their agents who are then and there present. No bids shall be received after the time designated in the advertisement or bid request form. All unsigned bids will be rejected.

n. **Bid Review and Award**
i. The OC&P will review the bids received. All responsive bidders will be given to the Evaluation Committee to review the bids.
ii. The Evaluation Committee shall review bids based on the lowest price, conforming to the invitation to bid, and goods and services bids based on price plus its evaluation of any additional factors identified in the RFP/BID, by using the criteria established in the RFP /BID to assist in that determination.
iii. The Evaluation Committee shall provide in writing their recommendation and how they came to that decision and any evaluation sheets used in making the determination.
iv. The University shall award all contracts or reject all bids in the time stated in specifications, but in no case shall such time exceed sixty (60) days, except the bids of any bidders who consent thereto which may, at the University request, be held for consideration for such longer period of time as may be agreed.

NOTE: **Once a bid is awarded to the vendor, the vendor is obligated to supply the University with the materials, service or product at the price supplied in the vendor's bid. Individual departments do not have the authority to increase the amount of the contract price. Vendors who have problems or difficulty in meeting their obligations under the bid should contact the OC&P. Depending on the circumstances, the OC&P may be able to work with the vendor or it may have to access that vendor's bid security and negotiate completion of the contract with the next lowest responsible bidder.**

o. **Official Bid Protest**
i. The University shall provide to all qualified bidders a copy of a "Notice of Intent to Award a Contract" within sixty (60) days of a bid opening. Any qualified bidder that wishes to protest the notice of award shall have three (3) business days from the date of receipt of said notification to file an appeal in writing.
ii. The OC&P will post on website that the Bid is under Protest.
iii. A bidder's notice of appeal shall set forth with particularity that it is filing an appeal and the reasons upon which the bidder takes issue with the contemplated award to the apparent responsible bidder, attaching all documentation, if appropriate. If the protest is refutable as a matter of fact, it will be treated as a clarification and the Notice of Award will proceed. A letter will be sent to the protesting company.
iv. A panel will conduct a hearing within five (5) working days of the University's receipt of the appeal. A written decision will be rendered within seven (7) working days of the hearing set forth in this paragraph.
v. The hearing will be conducted by a panel of three (3) University employees. Those members shall be appointed by the Vice President for Finance who shall preside at the hearing.
vi. The hearing shall be open to all bidders on the project. The bidder filing the appeal has the right to present witnesses, and documents. The Vice President for Finance may limit the number of witnesses to be heard. The panel may direct questions to the witnesses called by the appealing bidder or other project bidders present at the hearing if the panel deems necessary.
vii. Picture taking, filming or tape recording of the hearing are prohibited.
viii. Attorneys may be present to assist and advise. They may not offer testimony, question witnesses, make statements, or speak. Furthermore, attorneys may not interfere with the hearing.

ix. The University reserves the right to waive any immaterial defects in the bid or the bidding process.
x. The panel shall render a decision in this matter and prepare a report to the Vice President for Finance at the conclusion of the hearing which will be advisory in nature and not binding on the Vice President for Finance.
xi. The Vice President for Finance shall issue the final decision on this matter.
xii. All appeals from the decision of the panel shall be appealable to the Appellate Division pursuant to N.J.S.A. 18A:3B-6(f).

p. **Additional Purchasing Procedure Requirements**

Chapter 51 & Executive Order 117

On September 22, 2004, Governor James E. McGreevey signed Executive Order 134, which, among other things, imposed new restrictions on State departments, agencies and authorities. The purpose of the Executive Order was to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access or the appearance thereof. To that end, Executive Order 134 prohibited State departments, agencies and authorities from entering into a contract that exceeds $17,500 with an individual or entity that has made a political contribution to a candidate committee and/or election fund of any candidate or holder of the public office of Governor, or to any State or County political party committee. Executive Order 134 was superseded by Public Law 2005, c. 51, signed into law on March 22, 2005. Contracts or Purchase orders for $17,500 and over cannot be finalized until the vendor completes the necessary forms (Addendum 6). The vendor must understand that the University is prohibited from awarding a contract or issuing payments until the State Treasurer or his designee gives approval that the requirements of the Public Law have been met.

i. Emergency Purchases over the Bid Threshold

An emergency condition may be defined as the need for immediate procurement of goods and/or services necessary for the protection of University property and occupants or continual operation of the University where time does not permit using purchasing procedures.

Emergency orders must be approved by the Vice President of Finance. A written request has to be forwarded to the Vice President describing the nature of the emergency, time of occurrence, and need to invoke emergency procedures. The Vice President will make the decision to declare the situation an emergency and authorize the award of a contract. A requisition should be done by the appropriate department.

A report will be forwarded to the Board of Trustees at the next public meeting. The report will include:

- the nature of the emergency;
- the need for immediate action;
- the cost of the goods and/or services;
- the name of the vendor.

q. **Division of Contracts Prohibited**

It is impermissible to subdivided a project and/or contract in an effort to bring it or any of the parts thereof under the Bid Threshold, thereby avoiding the need to bid the contract.

r. **Award of Contracts When Bids Are Equal**

When two or more quotations or bids of equal amounts are the lowest quotations or bids submitted by responsible parties, the University may award the contract to any one of such parties as, in its discretion, it may determine is in the best interest of the University.

s. **Miscellaneous**

Prior to the conclusion of any contract or subcontract for the performance of work substantially similar to that performed by employees of the University covered by a collective bargaining agreement, the University shall provide for consultation with the appropriate bargaining unit representative regarding such action. The negotiation unit's representative shall be entitled to review the supporting documentation concerning the purchase, contract, or subcontract and to an assessment of the impact of that purchase, contract or subcontract on the negotiations unit's employees of the University.

The University will evaluate existing policy on a regular basis to be in conformity with the regulations of the Board of Higher Education or any other governing body.

The University reserves the right to change this policy as necessary with or without notice.

t. The University is exempt from paying the New Jersey Sales Tax under the New Jersey Sales and Use Tax Act as provided in N.J.S.A 54:32 B-1. Form ST-4 is used for that purpose and is available upon request from the OC&P. The University's Federal Employer Identification Number (EIN) 222764819.

u. **Cancellation and Alterations**
   i. Requisition: may be canceled prior to issuance of purchase order.
   ii. Purchase Order: purchase order may be canceled providing acceptance is not made by the vendor. As noted in the legal conditions under purchase order, a binding contract may exist and a vendor(s) may have the right to refuse acceptance of cancellation. In this situation, the requisition budget unit manager must consult with the Vice President or his designee about the University's contractual obligations prior to cancelling the purchase order.

      To cancel a purchase order, the requisitioning department must (1) telephone, fax, or email the vendor to cancel the order and (2) notify the OC&P of the cancellation via e-mail or by memorandum (giving details such as purchase order number, account number, vendor, etc.) or send Procurement a copy of the purchase order with instructions to cancel on it.

      When a purchasing order has been canceled and the item(s) has been received, the requisitioning department must (1) notify the OC&P of the cancellation via e-mail or by memorandum (giving details such as purchase order number, account number, vendor, etc.) or send Procurement a copy of the purchase order with instructions to cancel on it; and (2) telephone the Receiving Department to inquire about the disposition of the item(s). Additionally, a restocking fee may be levied upon the University by the vendor when a purchase order has been canceled and the items have been received.
   iii. Change orders to existing contracts, Bids, or RFP's: change orders to increase a Purchase Order must be made in writing before any additional work is started. The end user must notify the OC&P by e-mail and copy the Senior Director of Procurement with an explanation. The request will not be processed unless it is submitted accordingly.
   iv. No single, or combined change orders for a contract and/or Purchase Order may exceed 30% of the total contract/purchase order amount or $250,000, whichever is lesser unless it is deemed an emergency, the result of unforeseen conditions and/or Board Approval is obtained.
      1. Any single or cumulative change order(s) totaling more than 30% of the Contract /Purchase Order must be approved by the Vice President of the Division seeking the Change Order and the Vice President of Finance. A written request has to be forwarded to the Vice President describing the nature of the emergency and/or unforeseen condition, time of occurrence, and need to exceed the 30% cap for change order amounts. The Vice President will make the determination if there is an emergency and/or unforeseen condition warranting the change order and authorize the change order.
      2. A report will be generated by the OC&P to be included in the next BOT Board Book. The report will include:
         a. the nature of the emergency/unforeseen condition; and
         b. the necessity for the change order(s); and
         c. the cost of the goods and/or services; and
         d. the cost of the original contract and/or purchase order; and
         e. the name of the vendor.

v. **Complaints**

Complaints concerning performance of vendor and/or the products received are to be brought to the attention of the OC&P through Vendor Performance Comments . The OC&P will resolve the complaints and/or assist you in the resolution.

w. **Further Information**
Contact the OC&P for further information regarding purchasing or contract procedures.

x. **Unauthorized Purchases**
Individual faculty and staff members are not authorized to procure any goods or services on behalf of the University without following the proper procedures as outlined above. New Jersey Law states that individuals who enter into unauthorized purchases may be held personally responsible for these goods or services.

If you have an unauthorized purchase and did not process a requisition through the OC&P, you must submit a direct pay to Accounts Payable with a letter of justification.

y. **New Jersey Prompt Payment Act**
In accordance with The New Jersey Prompt Payment Act N.J.S.A. 52:32-32 et seq., interest must be paid to any business concern that does not receive payment within sixty (60) days from the date the State (1) received good and services or (2) received a properly executed invoice, whichever is later. Where a signed contract exists between the State and a vendor, payment must be made within sixty (60) days of the payment date specified in the contract.

z. **Awards**
All awards for professional and construction exceeding $100,000 must be submitted by the requesting department to General Counsel for negotiation of a contract prior to issuance of a notice to proceed, performance or payment for any such services.