Miami University Purchasing Policy

Maintaining an efficient and effective procurement process plays an essential role in meeting the operational and financial needs of the University. The Office of Purchasing facilitates purchases and expenditures for goods and services from all University accounts and is tasked with providing clear and consistent guidance to all University departments. The Purchasing Policy and Purchasing Handbook provide the framework for the University’s procurement processes. Adherence to these policies and procedures ensures that the Office of Purchasing meets its primary objective of achieving the best value in procuring goods and services for the University while keeping compliant with applicable law.

The Office of Purchasing’s specialized procurement staff develops leading practice sourcing strategies and deploys strategic sourcing methodologies in managing the University’s acquisition of goods and services. Timely engagement of the procurement staff is essential to the effective administration of the University’s procurement processes and meeting the Departments’ needs. The Office of Purchasing is committed to achieving the following results through deploying strategic sourcing methodologies while managing the acquisition of goods and services:

- Providing the University with fast and efficient state-of-the-art on-line “requisition to payment” vendor selection through its e-Procurement based catalog and shopping cart enterprise, Buyway
- Lowering the total costs of the goods and services procured through consistent utilization of leading practice procurement methods
- Maximizing the University’s purchasing power by leveraging its economies of scale through a focused group of strategic vendors via intra and inter University purchasing initiatives
- Selecting the most appropriate procurement method to increase consistency of Procurement’s activities and provide more defensible support of selected procurement processes
- Selecting the best overall value when soliciting vendors for the procurement of goods or services
- Providing on-going spend analysis, tracking metrics, and price benchmarking for Department budgeting and other forecasting needs
- Adequately planning with departments under published lead times to provide the Office of Purchasing the opportunity to execute the most appropriate Solicitation Method for the acquisition of goods or services (excluding emergency situations or approved exceptions)

Purchasing Authority

By Resolution 84-59 of The Board of Trustees of Miami University, purchasing responsibility and authority has been vested in the Sr. Vice President for Business and Finance and Treasurer and the Chief Procurement Officer. The Authority to contractually bind the University or to otherwise obligate it under indebtedness arises only through the following:

- A Board of Trustee Resolution; or
- A specific written delegation of authority by the Sr. Vice President for Finance and Business Services that is on file with the Secretary of the University; or,
- A Purchase Order (“PO”) or other contract instrument issued by or under the direction of the Office of Purchasing.

Pursuant to Ohio Revised Code Section 3.12, commitments made without such authority do not obligate the University, but are the personal responsibility of the individual making the commitment.

Miami University’s authorization and approval levels for transactions, contracts, and agreements relating to the purchasing of goods and services are provided in Table 1.

<table>
<thead>
<tr>
<th>Title</th>
<th>Authority Level:</th>
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</thead>
<tbody>
<tr>
<td>Sr. Vice President for Finance and Business Services and Treasurer</td>
<td>Above $100,000</td>
</tr>
<tr>
<td>Chief Procurement Officer</td>
<td>Up to $250,000</td>
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<tr>
<td>Strategic Procurement Officer</td>
<td>Up to $100,000</td>
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</tbody>
</table>
Dividing a purchase or transaction into two or more parts to evade a limit of authority is prohibited and is a violation of policy. This policy shall be interpreted broadly so that a series of reasonably related transactions is considered as a single transaction for purposes of determining approval and authority levels.

Expenditures from all funds, regardless of its source, is considered University expenditures and shall be administered in accordance with applicable University policy.

For Contracts other than goods and services please refer to General Counsel Website on Contract Signing Authority. Employees executing contracts and approving transactions are required to ensure that all necessary approvals and reviews required by this policy and other University policies and procedures have been obtained and must maintain documentation of the appropriate approvals.

Purchasing Requirements and User Department Responsibilities

Departments should follow the process in Figure 1 to procure non-construction related goods and services using the appropriate method.

Understanding and adherence to the above process helps the University leverage procurement leading practice to reduce the total costs of procured goods and services. The Office of Purchasing is available to guide Departments through this process and answer any questions. Departments are also expected to understand and follow the following guidelines:

1. All Department heads and departmental faculty/staff who are involved with procurement are required to review, understand, and fully comply with this Purchasing Policy, the Miami University Purchasing and Payment Handbook (see http://www.units.muohio.edu/purchasing/), and any
other related policies or procedures. Any questions regarding these materials should be directed to the University’s Chief Procurement Officer.

2. All procurement staff and any other individual authorized to conduct purchasing activities must adhere to the principles and standards of the Ohio Ethics Law.

3. The Chief Procurement Officer is responsible for coordinating the Office of Purchasing’s support in meeting Departments’ specified product needs and scheduling requirements while allowing for sufficient time to conduct competitive bids and solicitations, as appropriate.

4. Purchases from external vendors may be initiated by one of three methods: a Purchase Order (PO), P-Card, or Direct Pay. See Table 2 to understand these options and when they should be used. A PO must be issued prior to any commitment being made for the purchase of goods or providing of services. The PO number and/or a hard copy of such order must be presented to the vendor or service provider at the time the purchase is made or contract is arranged. The Office of Purchasing will not issue POs after the fact to cover commitments. Direct Pay should only be used in specific categories approved in advance by the Chief Procurement Officer.

<table>
<thead>
<tr>
<th>Method</th>
<th>Purpose</th>
<th>Consideration</th>
</tr>
</thead>
</table>
| Purchasing Card (P-card) | • Used for small dollar purchases of limited goods and travel services not under contract  
• Limited to $1,500/transaction and $10,000/month | • Refer to the Purchasing and Payment Handbook section on Purchasing Cards for details regarding this procurement method |
| Purchase Order          | • Used for purchases of goods and services including catalog or non-catalog items and purchases against existing contracts | • Can be used for any type of purchase |
| Direct Pay              | • Used when there is a check request made by submitting an invoice via Miami’s eProcurement system (Buyway) | • Refer to the Purchasing and Payment Handbook section on Payment Voucher Requests (i.e. Direct Pay/Check Requests) for details regarding this procurement method |

Purchases from internal vendors

| Inter-departmental Transfer | University’s method for purchases and work orders with internal vendors such as:  
• Facility (PFD) Services  
• University Store Room  
• IT Services  
• University Book Store  
• Culinary Support/Catering | • Inter-departmental transfer is treated as a Journal Voucher |

Table 2: Procurement Methods

5. Employees should not process requisitions for personal reimbursement of University supplies and/or services, except under the most extreme circumstances.

6. Departments should provide the Office of Purchasing with sufficient lead time to engage Department resources and other key stakeholders to identify and execute the appropriate solicitation method to meet departments’ business needs.

7. Departments with recurring needs for acquiring particular goods or services should notify the Office of Purchasing to employ strategic purchasing leveraging opportunities and other contract negotiation strategies in procuring such goods or services.

8. The Office of Purchasing will work with Departments to obtain the required goods or services in a manner within the bounds of applicable procurement laws. Departments should not contact vendors regarding large dollar purchases independent of the Office of Purchasing.
9. The Office of Purchasing reserves the right to obtain competitive quotations or pursue alternative sourcing strategies, regardless of dollar value, whenever in its judgment obtaining such quotations would serve the best interest of the University.

10. Buy Ohio Preference: Sections 125.09 and 125.11 of the Ohio Revised Code require that in the evaluation of bids, the University give preference to products which are "mined, excavated, produced, manufactured, raised, or grown" in the State of Ohio, or products offered by bidders who have a "significant Ohio presence," defined to mean that the bidders:

- "Have sales offices, divisions, sales outlets, or manufacturing facilities in Ohio or whose facilities demonstrate a significant capital investment in Ohio;
- Pay required taxes to the state of Ohio; and
- Are registered and licensed to do business in the state of Ohio with the Office of Secretary of State."

Any bids meeting the above criteria will be given a preference of up to five (5) percent over the lowest price "non-Ohio" bid submitted; except that such preference will not be applied against vendors from bordering states, unless those states have programs favoring their in-state bidders over "Ohio" vendors.

11. Inter-University Council Procurement Group (IUC-PG): Miami University is committed to working with the IUC-PG to procure goods and services at the lowest potential total cost through the leveraging of statewide spend for these goods and services. Unless formally rejected by a resolution of the Miami University Board of Trustees, Miami University shall participate in all group procurement agreements and require the use of such agreements for all University purchases whenever practical.

12. Miami University supports the State of Ohio Minority Business Enterprise (MBE) and Encouraging Diversity, Growth and Equity (EDGE) Business Development Programs. The University has established goals for EDGE Certified Business Participation for University contracts that include goods, services, construction and professional design services. Similar goals are established for MBE. For further information on MBE/EDGE Programs, please refer to [http://www.das.ohio.gov/Eod/Index.htm](http://www.das.ohio.gov/Eod/Index.htm).

For non-construction related categories, the Office of Purchasing has multiple options to engage vendors (see Table 3).

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>Best Used When</th>
<th>Estimated Lead Time to Prepare</th>
<th>Estimate Time to Complete</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for Information (RFI)</td>
<td>• The University needs to collect specific information about vendors or an industry to provide a more fact-based foundation for decision making</td>
<td>1-2 weeks</td>
<td>2-4 weeks</td>
<td>• Not all vendors are compelled to complete RFIs</td>
</tr>
<tr>
<td>Informal Quote</td>
<td>• No Procurement approved contract source (e.g., University agreement, IUC agreement, state term contract) is available</td>
<td>&lt;1 week</td>
<td>2-4 weeks</td>
<td></td>
</tr>
<tr>
<td>Request for Quote</td>
<td>• A Procurement approved contract source is available</td>
<td>1-2 weeks</td>
<td>1-2 weeks</td>
<td>• RFQs are not required when buying from alternate contract sources</td>
</tr>
<tr>
<td>• Total amount of goods or services is at a level that could get additional discounts from vendors (e.g., volume commitment warrants deeper discount discussions with the vendor)</td>
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<td></td>
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<tr>
<td>Invitation to Bid (ITB)</td>
<td>• Non price criteria can be defined as minimum requirements</td>
<td>2-4 weeks</td>
<td>1-2 months</td>
<td>• Reverse auctions can be used with short-listed vendors in parallel to sealed bid process</td>
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<tr>
<td>• Price is only requirement that needs to be evaluated</td>
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<tr>
<td>• Good or service is well defined</td>
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<tr>
<td>• Procurement has deep experience in sourcing the good or service</td>
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<tr>
<td>Request for Proposal (RFP)</td>
<td>• The University’s requirements are well defined</td>
<td>4-6 weeks</td>
<td>2-4 months</td>
<td>• Departments may need to provide resources to evaluate proposals</td>
</tr>
<tr>
<td>• Level of expected new or alternative solutions is low (e.g., mature category)</td>
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<td></td>
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<tr>
<td>• There are non-price criteria that need to be evaluated by University stakeholders</td>
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<tr>
<td>Invitation to Negotiate (ITN)</td>
<td>• There are non-price criteria that need to be evaluated by University stakeholders</td>
<td>6-8 weeks</td>
<td>3-5 months</td>
<td>• Departments may provide resources to serve on Evaluation and Negotiation Teams</td>
</tr>
<tr>
<td>• Miami University can potentially benefit from collaborating with short-listed vendors to create innovative solutions that better achieve objectives prior to accepting best and final offers</td>
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</table>

Table 3: Options to Engage Non-Construction Related Vendors
There may be instances in which a department seeks to procure goods or services that are unusual or unique (i.e. works of art, highly specialized services, etc.). In such circumstances, please contact the Office of Purchasing in advance. We will work with colleagues to determine an appropriate approach to meet such requirements.

For construction related categories, the Office of Purchasing has multiple options to engage vendors (see Table 4).

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Best Used When</th>
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</table>
| 1 Design Build | Vendor is selected through a formal competitive event to provide both the design and construction services for the project | • There is enough information (e.g., existing standards) available to enable vendor to design and construct the project  
• University is seeking a turnkey / full service solution  
• Speed to deliver project is important |
| 2 Construction Manager at Risk | Vendor is selected through a formal competitive event to provide construction management services for a project (e.g., preparation and coordination of bid packages for subcontractors, scheduling, managing / controlling costs, construction administration) and guarantees the cost of the project | • University wants to have vendor bear all of the construction risk of the project  
• It is important to have a guaranteed maximum price |
| 3 Single-Prime | Vendor is selected through a formal competitive event to provide construction services throughout project, and selects and manages any subcontractors required to complete the scope of the project. The vendor does not guarantee the cost of the project. | • University wants a single vendor to manage the construction project  
• One portion of project is majority of project and the University does not have a need or desire to directly manage the remaining portions of the project |
| 4 Multi-Prime | Multiple vendors are selected through a formal competitive event to provide specific construction services for portions of the overall project | • University wants to control and manage all portions of the project directly  
• There are multiple major portions of the project |
| 5 Invitation to Bid / Letterhead Bidding | Vendor is selected through a formal competitive event to provide defined services | • Total project value is less than $200,000  
• There are multiple vendors that can deliver the project |
| 6 Term Contracts | Vendor is selected from a qualified alternative contract established by the University or another entity (e.g., state term contract, Provista cooperative purchasing agreements that have been competitively bid) | • Total project value is less than $200,000  
• There are existing term contracts (from the University or other alternative contract sources) that cover the project’s scope |
| 7 Time & Materials | Vendor is selected from an existing time and material contract established by Miami University for the service and a scope of work is established with clear project start and end dates, milestones, etc. | • Total project value is less than $200,000  
• There are existing University time and material contracts that cover the project’s scope  
• Speed to deliver project is important |
| 8 Directed Purchase | Vendor is selected through an informal process | • Total project value is less than $10,000  
• Project is a one-off project |
| 9 Sole Source | Specific vendor is selected since they are determined to be the only ones that can provide the scope of services required by the University | • Total project value is less than $200,000  
• There is only one vendor that can meet the project’s validated business requirements |
| 10 Emergency | Vendor is selected during an emergency situation (as defined in statute) to provide the required services | |

Table 4: Options to Engage Construction Related Vendors